

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

MIDWAY MFG. CO.,  
an Illinois corporation,

Plaintiffs,

vs.

NORTH AMERICAN PHILIPS  
CONSUMER ELECTRONICS CORP.,

PARK TELEVISION d/b/a  
PARK MAGNAVOX HOME  
ENTERTAINMENT CENTER,  
an Illinois partnership, and

ED AVERETT,  
an individual,

Defendants.

Civil Action No. 81 C 6434

The Honorable

George N. Leighton

JURY DEMANDED

**DOCKETED**  
DEC 22 1983

PLAINTIFF MIDWAY'S FIRST SET OF  
REQUESTS FOR ADMISSIONS TO DEFENDANTS

Plaintiff, Midway Mfg. Co. ("Midway"), pursuant to Rules 33 and 36, Fed. R. Civ. P., hereby requests defendants to admit the truth of the matters set forth in separate paragraphs below and to provide the below requested information with respect to each request for admission that is denied in whole or in part or that is not unequivocally admitted, within 30 days after service hereof.

These requests are to be answered individually by defendant. Defendants are admonished to strictly observe the requirements of Rule 36(a) Fed. R. Civ. P. with respect to stating denials or asserting "lack of information or knowledge" as grounds for failure to admit or deny.

In addition, defendants are requested to provide the following information with respect to each request for admissions that is denied in whole or in part or that is not unequivocally admitted.

U.S. DISTRICT COURT

83 DEC 21 PM 4 34

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218

- (a) State in detail the factual basis for each such denial or failure to unequivocally admit;
- (b) identify and indicate the location of each document that supports each such denial or failure to unequivocally admit;
- (c) indicate specifically which portion, if any, of each request is the basis of each such denial or failure to unequivocally admit; and
- (d) identify each person known to defendants that has knowledge of the facts which provide a basis for each such denial or failure to unequivocally admit.

Request No. 1

Certificate of Copyright Registration No. PA 83-768 (Exhibit 1 attached) is valid.

Request No. 2

The facts stated in Certificate of Copyright Registration No. PA 83-768 (Exhibit 1) are true.

Request No. 3

Midway Mfg. Co. (plaintiff) owns all right, title and interest in Copyright Reg. No. PA 83-768.

Request No. 4

The PAC-MAN work referred to in Box No. 1 of Certificate of Copyright Registration No. PA 83-768 is the PAC-MAN audiovisual work that is fixed in the PAC-MAN video game manufactured by Midway which was Exhibit No. 16 at the preliminary injunction hearing. (coin-operated game)

Request No. 5

Plaintiff owns all right, title and interest in the nonfunctional design features of the PAC-MAN audiovisual work.

Request No. 6

The PUCKMAN audiovisual work was created by Namco, Ltd. of Japan.

Request No. 7

The PUCKMAN audiovisual work created by Namco is an original work under 17 U.S.C. §102.

Request No. 8

Plaintiff owns all right, title and interest in the PAC-MAN trademark, Reg. Nos. 1,259,524; 1,230,042 and 1,260,102. (copies attached)

Request No. 9

Plaintiff's Exhibit No. 4 is a brochure showing the Midway PAC-MAN game.

Request No. 10

Plaintiff's Exhibit No. 5 is an advertisement of Atari, Inc.

Request No. 11

Plaintiff's Exhibit No. 6 is an advertisement placed by defendant North American for the K.C. Munchkin video game and for other video games sold by North American.

Request No. 12

Plaintiff's Exhibit No. 9 is an advertisement that was placed by an Odyssey dealer in the Chicago Sun-Times, Friday, November 13, 1981 edition.

Request No. 13

Plaintiff's Exhibit No. 10 is an advertisement placed by an Odyssey dealer in the Chicago Tribune, Friday, November 20, 1981 edition.

Request No. 14

Plaintiff's Exhibit No. 11 is an advertisement placed by an Odyssey dealer in the Chicago Tribune, Sunday, November 22, 1981 edition.

Request No. 15

Plaintiff's Exhibit No. 12 is an advertisement that was placed by an Odyssey dealer in the Chicago Sun-Times, Sunday, November 22, 1981 edition.

Request No. 16

Plaintiff's Exhibit No. 17 is an Odyssey advertisement placed by defendant North American Philips in various magazines.

Request No. 17

Plaintiff's Exhibit No. 18 is an advertisement by an Odyssey dealer that was mailed in November 1981.

Request No. 18

Plaintiff's Exhibit No. 19 is an advertisement placed in the November 27, 1981 edition of the Chicago Tribune by an Odyssey dealer.

Request No. 19

Plaintiff's Exhibit No. 20 was an advertisement placed in November 1981 by an Odyssey dealer.

Request No. 20

Plaintiff's Exhibit No. 21 is a letter sent by David M. Arganbright, Vice President and General Manager of defendant North American to Odyssey dealers who had been selling the K.C. Munchkin video game.

Request No. 21

Plaintiff's Exhibit No. 67 was received by defendant North American.

Request No. 22

Plaintiff's Exhibit No. 67 is a document maintained by defendant North American in its files in the ordinary course of business.

Request No. 23

North American has not produced a copy of plaintiff's Exhibit No. 67 to plaintiff.



Request No. 24

Plaintiff's Exhibit No. 68 was received by G. A. Michaelson and/or R. E. Hutner, both employees of defendant North American.

Request No. 25

Plaintiff's Exhibit No. 68 is a document maintained by defendant North American in its files in the ordinary course of business.

Request No. 26

North American has not produced a copy of plaintiff's Exhibit No. 68 to plaintiff.

Request No. 27

Plaintiff's Exhibit No. 69 is a copy of a proposed advertisement for the K.C. Munchkin cartridge.

Request No. 28

Plaintiff's Exhibit No. 77, 84, 85, 86, 96, 97 and 98 is a document that was prepared by Campbell Ewald Company, an advertising agency that did work for North American, and was received by G. A. Michaelson and R. E. Hutner employees of defendant North American.

Request No. 29

Plaintiff's Exhibit 133 is a true copy of an agreement between Ed Averett and Magnavox Consumer Electronics Company.

Request No. 30

Magnavox Consumer Electronics Company is a predecessor to defendant North American.

Request No. 31

North American is now a party to the agreement marked as plaintiff's Exhibit 133.

Request No. 32

Plaintiff's Exhibit No. 137 is a document maintained by defendant North American in its files in the ordinary course of business.

Request No. 33

Plaintiff's Exhibit No. 145 is a copy of a document that was authored by Gerry Michaelson, an employee of North American and sent to John Wattles, an employee of Campbell-Ewald Company in April 1981.

Request No. 34

Defendant North American considered using the following names as the name for the AC9435 game cartridge:

1. Pac attack
2. Snack man
3. Snack pack
4. Motor mouth
5. Munch man
6. Gobblins.

Request No. 35

Plaintiff's Exhibit No. 147 is an interoffice memorandum for defendant North American from E. Collins to M. Staup, R. Hutner and G. Michaelson, among others, dated July 24, 1981, that was prepared by a person with knowledge and maintained by North American in its files in the ordinary course of business.

Request No. 36

Plaintiff's Exhibit No. 155 is a copy of a report prepared by Trout & Reese Advertising, New York, New York for defendant North American.

Request No. 37

Trout & Reese presented an oral report based on plaintiff's Exhibit No. 155 at North American's Knoxville, Tennessee offices.

Request No. 38

Plaintiff's Exhibit 112 is a copy of a memorandum sent by Thomas Hafner to all Odyssey dealers in November 1981.

Request No. 39

Ed Averett, an independent contractor, created K.C. Munchkin for North American.

Request No. 40

Mr. Ralph Staup, who is known to his colleagues as "Mike" Staup, is in charge of defendant North American's home video game development.

Request No. 41

Mr. Averett and Mr. Staup first viewed Midway's PAC-MAN video game in an airport arcade.

Request No. 42

After Mr. Staup and Mr. Averett viewed Midway's PAC-MAN video game, they discussed the strengths and weaknesses of the PAC-MAN game and its increasing popularity.

Request No. 43

After discussing the strengths and weaknesses of Midway's PAC-MAN game, and the popularity of Midway's PAC-MAN game, Staup and Averett decided to commence development of a modified version of Midway's PAC-MAN to add to North American's Odyssey line of home video games.

Request No. 44

Mr. Averett played PAC-MAN at least once before beginning work on developing the game cartridge that was eventually marketed by North American as K.C. Munchkin.

Request No. 45

Mr. Staup originally intended that Mr. Averett would develop a home version of PAC-MAN.

Request No. 46

Mr. Staup requested one of North American's in-house lawyers to obtain a license from plaintiff Midway Mfg. Co. for North American to produce and sell a video game cartridge for its Odyssey console using the name PAC-MAN.

Request No. 47

Mr. Staup instructed North American's in-house lawyer to obtain a license under the PAC-MAN copyright and trademark from Midway Mfg Co.

Request No. 48

While Mr. Averett was developing the cartridge that became K.C. Munchkin, North American was attempting to obtain from Midway a license under the PAC-MAN copyright and trademark so that it could market the cartridge Mr. Averett was developing under the PAC-MAN copyrights and trademarks.

Request No. 49

Mr. Staup learned that the PAC-MAN license was not available, and so informed Mr. Averett prior to the time that the K.C. Munchkin cartridge was completed.

Request No. 50

After Mr. Averett finished developing the cartridge, it was reviewed by North American employees, including Mr. Staup, who told Mr. Averett to make further changes in the game characters.

Request No. 51

As a result of the instructions that Mr. Averett was given by North American employees, the color of the gobbler was changed from yellow to its present bluish color.

Request No. 52

Prior to marketing the K.C. Munchkin cartridge, North American issued internal instructions not to refer to PAC-MAN in promoting K.C. Munchkin.

Request No. 53

An independent retailer in the Chicago area ran advertisements in the Chicago Sun-Times and the Chicago Tribune, describing K.C. Munchkin as "a PAC-MAN type game" and "as challenging as PAC-MAN."

Request No. 54

An independent retailer in the Chicago area ran printed advertisements in November 1981 which referred to K.C. Munchkin as "a PAC-MAN game."

Request No. 55

Sales persons in two stores in the Chicago area described the Odyssey game as "like PAC-MAN" and as "Odyssey's PAC-MAN" in November 1981.

Request No. 56

The expression of the central figure as a "gobbler" and the pursuit figures as "ghost monsters" distinguishes PAC-MAN from other prior video games.

Request No. 57

PAC-MAN's particular artistic interpretation of the game was designed to create a certain impression which would appeal to a nonviolent player personality. The PAC-MAN gobbler and ghost monsters are wholly fanciful creations, without reference to the real world.

Request No. 58

North American not only adopted the same basic characters as the Gobbler and Ghost Monsters in the PAC-MAN game, but also portrayed them in a manner which made K.C. Munchkin appear substantially similar to PAC-MAN.

Request No. 59

The characters in the K.C. Munchkin game include a gobbler and ghost monsters.

#### Request No. 60

The gobbler and ghost monsters in the K.C. Munchkin game appear substantially similar to the Gobbler and Ghost Monsters in the PAC-MAN game.

#### Request No. 61

The K.C. Munchkin gobbler has several features substantially similar to the PAC-MAN Gobbler, including the relative size and shape of the body, the v-shaped mouth, and the distinctive gobbling action, with appropriate sounds, and especially the way in which the gobbler disappears upon being captured. The K.C. Munchkin ghost monsters are virtually identical in size, shape and manner of movement to the ghost monsters in the PAC-MAN game. The K.C. Munchkin ghost monsters exhibit the same peculiar eye and leg movement as the PAC-MAN ghost monsters.

#### Request No. 62

During the play of the PAC-MAN game, the ghost monsters chase PAC-MAN and can deflate it if it is captured, unless the PAC-MAN gobbler eats a power capsule, in which case the roles of the monsters and the gobbler are reversed, and the gobbler can chase and capture the ghost monsters. If a gobbler captures the ghost monster, the ghost monster's eyes regenerate and return back to the center of the game. The gobbler and ghost monsters in the K.C. Munchkin game express the roll reversal and regeneration process in a manner substantially similar to the PAC-MAN game.

#### Request No. 63

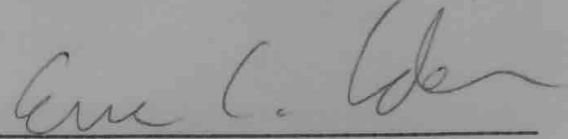
Video games to appeal to an audience that is fairly indiscriminating insofar as their concern about more subtle differences in artistic expression.

#### Request No. 64

The main attraction of a game such as PAC-MAN lies in the stimulation provided by the intensity of the competition.

Request No. 65

A person who is entranced by the play of the PAC-MAN game would be disposed to overlook many of the minor differences in detail between PAC-MAN and K.C. Munchkin and regard their aesthetic appeal as the same.



Donald L. Welsh  
A. Sidney Katz  
Eric C. Cohen  
Welsh & Katz  
135 South LaSalle Street  
Suite 1625  
Chicago, Illinois 60603  
(312) 781-9470

Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing PLAINTIFF MIDWAY'S FIRST SET OF REQUEST FOR ADMISSIONS TO DEFENDANTS have been served, by hand delivering a copy to

Don H. Reuben  
David W. Maher  
Reuben & Proctor  
19 South LaSalle Street  
Chicago, Illinois 60603

and

Theodore W. Anderson  
James T. Williams  
Neuman, Williams, Anderson & Olson  
77 West Washington Street  
Chicago, Illinois 60602

on this 21th day of December 1983.

Pamela T. McHenry



Additional Certificate (17 U.S.C. 706)  
**CERTIFICATE OF COPYRIGHT REGISTRATION**

**FORM PA**

UNITED STATES COPYRIGHT OFFICE

This certificate, issued under the seal of the Copyright Office in accordance with the provisions of section 410(a) of title 17, United States Code, attests that copyright registration has been made for the work identified below. The information in this certificate has been made a part of the Copyright Office records.

*Diana L. Ladd*

REGISTER OF COPYRIGHTS  
United States of America

REGISTRATION NUMBER

PA 7 ... 83-768  
PA PAU

EFFECTIVE DATE OF REGISTRATION

NOV. 13, 1980  
Month Day Year

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED MORE SPACE, USE CONTINUATION SHEET (FORM PA/CON)

1  
Title

TITLE OF THIS WORK:

PAC-MAN

NATURE OF THIS WORK:  
(See instructions)

Audiovisual work

PREVIOUS OR ALTERNATIVE TITLES:

PUCKMAN

2  
Author(s)

**IMPORTANT:** Under the law, the "author" of a "work made for hire" is generally the employer, not the employee (see instructions). If any part of this work was "made for hire" check "Yes" in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part, and leave the space for dates blank.

NAME OF AUTHOR:

Namco Limited

Was this author's contribution to the work a "work made for hire"? Yes ☒ No ☐

DATES OF BIRTH AND DEATH:

Born (Year) Died (Year)

AUTHOR'S NATIONALITY OR DOMICILE:

1 Citizen of { } or { Domiciled in Japan (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK:

Anonymous? Yes ☐ No ☒  
Pseudonym? Yes ☐ No ☒

AUTHOR OF: (Briefly describe nature of this author's contribution)

All cinematographic material

If the answer to either of these questions is "Yes," see detailed instructions attached

NAME OF AUTHOR:

Was this author's contribution to the work a "work made for hire"? Yes ☐ No ☐

DATES OF BIRTH AND DEATH:

Born (Year) Died (Year)

AUTHOR'S NATIONALITY OR DOMICILE:

2 Citizen of { } or { Domiciled in (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK:

Anonymous? Yes ☐ No ☐  
Pseudonym? Yes ☐ No ☐

AUTHOR OF: (Briefly describe nature of this author's contribution)

If the answer to either of these questions is "Yes," see detailed instructions attached

NAME OF AUTHOR:

Was this author's contribution to the work a "work made for hire"? Yes ☐ No ☐

DATES OF BIRTH AND DEATH:

Born (Year) Died (Year)

AUTHOR'S NATIONALITY OR DOMICILE:

3 Citizen of { } or { Domiciled in (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK:

Anonymous? Yes ☐ No ☐  
Pseudonym? Yes ☐ No ☐

AUTHOR OF: (Briefly describe nature of this author's contribution)

If the answer to either of these questions is "Yes," see detailed instructions attached

3  
Creation and Publication

YEAR IN WHICH CREATION OF THIS WORK WAS COMPLETED:

Year 1980

(This information must be given in all cases)

DATE AND NATION OF FIRST PUBLICATION:

Date May 22, 1980  
(Month) (Day) (Year)

Nation Japan (Name of Country)

(Complete this block ONLY if this work has been published)

4  
Claimant(s)

NAME(S) AND ADDRESS(ES) OF COPYRIGHT CLAIMANT(S):

Midway Mfg. Co., 10750 W. Grand Avenue  
Franklin Park, Illinois 60131



**TRANSFER:** (If the copyright claimant(s) named here in space 4 are different from the author(s) named in space 2, give a brief statement of how the claimant(s) obtained ownership of the copyright.) Namco Limited assigned "the entire right, title and interest" in statutory copyright in the United States and in the

• Complete all applicable spaces (numbers 5-9) on the reverse side of this page  
• Follow detailed instructions attached

DO NOT WRITE HERE

EXAMINED BY: *Jo*

CHECKED BY: .....

APPLICATION RECEIVED:

13 NOV 1980

CORRESPONDENCE:

☐ Yes

DEPOSIT RECEIVED:

13 NOV 1980

DEPOSIT ACCOUNT  
FUNDS USED:☐

REMITTANCE NUMBER AND DATE:

30401 UBSpec

FOR  
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ON

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED ADDITIONAL SPACE, USE CONTINUATION SHEET (FORM PA/CON)

## PREVIOUS REGISTRATION:

- Has registration for this work, or for an earlier version of this work, already been made in the Copyright Office? Yes ..... No **X** .....
- If your answer is "Yes," why is another registration being sought? (Check appropriate box)
  - ☐ This is the first published edition of a work previously registered in unpublished form.
  - ☐ This is the first application submitted by this author or as copyright claimant.
  - ☐ This is a changed version of the work, as shown by line 6 of the application.
- If your answer is "Yes," give: Previous Registration Number ..... Year of Registration .....

Prev  
Reg  
th

## COMPILATION OR DERIVATIVE WORK: (See instructions)

PREEXISTING MATERIAL: (Identify any preexisting work or works that the work is based on or incorporates.)

None

MATERIAL ADDED TO THIS WORK: (Give a brief, general statement of the material that has been added to this work and in which copyright is claimed.)

Comp  
Deriv  
Wor

DEPOSIT ACCOUNT: (If the registration fee is to be charged to a Deposit Account established in the Copyright Office, give name and number of Account.)

Name: .....

Account Number: .....

CORRESPONDENCE: (Give name and address to which correspondence about this application should be sent.)

Craig E. Larson, DePaoli &amp; O'Brien

Name: .....

Address: 1911 Jeff. Davis, Hwy. #1005

(Apt.)

Arlington, VA. 22202

(City)

(State)

(ZIP)

7  
Fee  
Corres  
enc

CERTIFICATION: \* I, the undersigned, hereby certify that I am the: (Check one)

- ☐ author ☐ other copyright claimant ☐ owner of exclusive right(s) ☒ authorized agent of: Midway Mfg. Co.

of the work identified in this application and that the statements made by me in this application are correct to the best of my knowledge.

Handwritten signature: (X) *Craig E. Larson*

Typed or printed name: Craig E. Larson

Date: March 6, 1980

8  
Certific  
(Applic  
must  
sign

CRAIG E. LARSON

(Name)

1911 Jeff. Davis Hwy, #1005

(Number, Street and Apartment Number)

Arlington,

(City)

VA.

(State)

22202

(ZIP code)

MAIL  
CERTIFICATE  
TO(Certificate will  
be mailed in  
window envelope)9  
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# CONTINUATION SHEET FOR FORM PA

FORM PA/CON

UNITED STATES COPYRIGHT OFFICE

- If at all possible, try to fit the information called for into the spaces provided on Form PA.
- If you do not have space enough for all of the information you need to give on Form PA, use this continuation sheet and submit it with Form PA.
- If you submit this continuation sheet, leave it attached to Form PA. Or, if it becomes detached, clip (do not tape or staple) and fold the two together before submitting them.
- **PART A** of this sheet is intended to identify the basic application. **PART B** is a continuation of Space 2. **PART C** is for the continuation of Spaces 1, 4, or 6. The other spaces on Form PA call for specific items of information, and should not need continuation.

REGISTRATION NUMBER	
PA 1	83-768
PA	PAU
EFFECTIVE DATE OF REGISTRATION	
NOV. 13, 1980	
(Month)	(Day) (Year)
CONTINUATION SHEET RECEIVED	
13 NOV. 1980	
Page 3 of 3 pages	

DO NOT WRITE ABOVE THIS LINE. FOR COPYRIGHT OFFICE USE ONLY

**IDENTIFICATION OF CONTINUATION SHEET:** This sheet is a continuation of the application for copyright registration on Form PA, submitted for the following work:

- **TITLE:** (Give the title as given under the heading "Title of this Work" in Space 1 of Form PA.)
- **NAME(S) AND ADDRESS(ES) OF COPYRIGHT CLAIMANT(S):** (Give the name and address of at least one copyright claimant as given in Space 4 of Form PA.)

**A**  
Identification  
of  
Application

**NAME OF AUTHOR:**

Was this author's contribution to the work a "work made for hire"? Yes No

**DATES OF BIRTH AND DEATH:**

Born (Year) Died (Year)

**AUTHOR'S NATIONALITY OR DOMICILE:**

Citizen of (Name of Country) or Domiciled in (Name of Country)

**WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK:**

Anonymous? Yes No  
Pseudonym? Yes No

**AUTHOR OF:** (Briefly describe nature of this author's contribution)

If the answer to either of these questions is "Yes," see detailed instructions attached

**NAME OF AUTHOR:**

Was this author's contribution to the work a "work made for hire"? Yes No

**DATES OF BIRTH AND DEATH:**

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**NAME OF AUTHOR:**

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**WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK:**

Anonymous? Yes No  
Pseudonym? Yes No

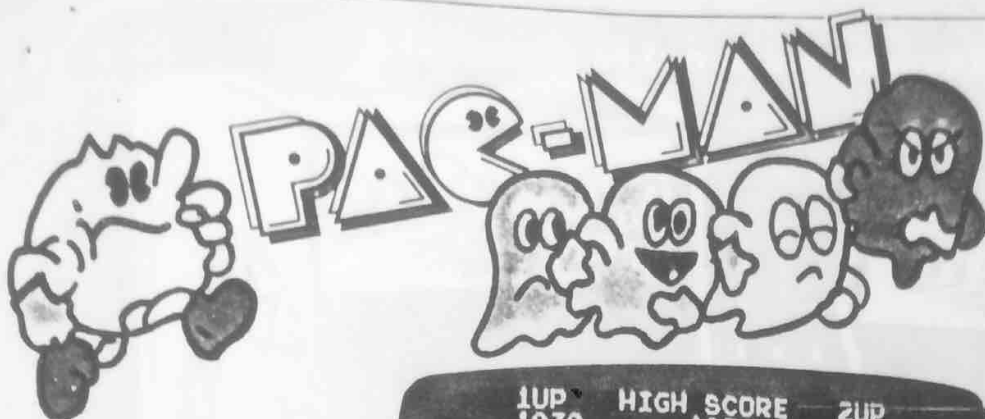
**AUTHOR OF:** (Briefly describe nature of this author's contribution)

If the answer to either of these questions is "Yes," see detailed instructions attached

**CONTINUATION OF** (Check which): ☐ Space 1 ☒ Space 4 ☐ Space 6

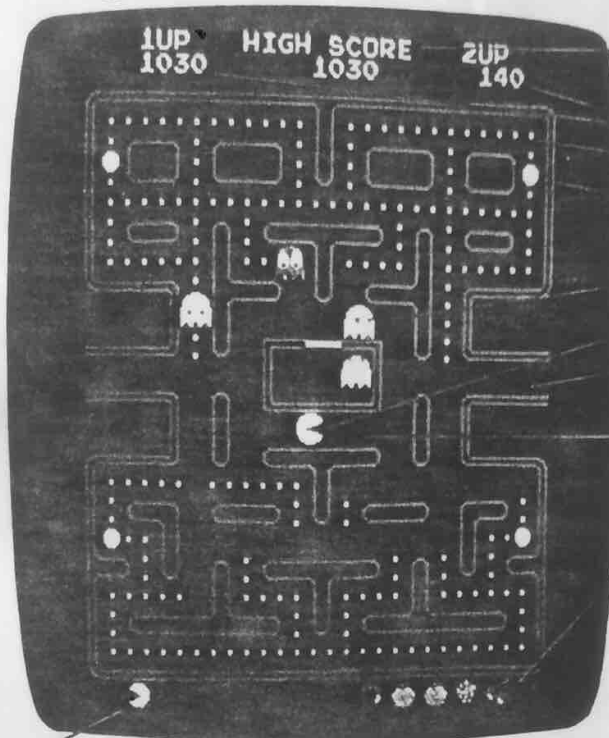
Western hemisphere in and to a certain amusement game known as "Pac-Man" or "Puckman" in an ASSIGNMENT OF COPYRIGHTS dated October 10, 1980 (said ASSIGNMENT is being recorded concurrently with this application).

**C**  
Continuation  
of other  
Spaces



A sensational, full color video game for 1 or 2 players that tickles vision and challenges reflexes. Adding to the fun are musical refrains, chomping and action sounds along with amusing cartoon shows between racks.

The player, using a single handle control guides the PAC-MAN about the maze, scoring points by munching up the Dots in his path. Four Ghost Monsters—Inky, Blinky, Pinky and Clyde— chase after the PAC-MAN trying to capture and deflate him. The PAC-MAN can counterattack by eating the big, Power Capsule that enables him to overpower the Monsters for additional score. After all the Dots are gobbled up, the screen is cleared, and PAC-MAN continues for another round. Each rack features a special Fruit Target in the maze, which if eaten, earns Bonus Points. Players start with three PAC-MEN. An additional PAC-MAN is awarded for 10,000 points.



**HIGH SCORE** — Retained and displayed daily.

**PLAYERS' SCORE**

**DOTS** — 10 Points Each.

**POWER CAPSULE** — 50 Points Each.

**GHOST MONSTERS**

**PAC-MAN** — The 'main' man.

**ESCAPE 'Warp' TUNNEL** — Out one side— reappear on other.

**BONUS FRUIT TARGET** — Appear below Monster's Den twice during each rack.

**NUMBER OF SCREENS CLEARED** — Fruit indicates how many times player has cleared the screen of dots.

- Screen cleared once.
- Screen cleared twice.
- Screen cleared 3 times.
- ? Screen cleared 4 times.
- ? Screen cleared 5 times.
- etc. —

**PAC-MAN REMAINING**

### SCORE BIG ON THE COUNTERATTACK

**1** Quick, eat the flashing Power Capsule.

Inky Blinky Pinky Clyde

**2** When the PAC-MAN powers up, the Monsters start to run away.

**3** Points double for each Monster caught.

1600 800 400 200

### BONUS POINT FRUIT TARGETS!

The player is awarded extra Bonus Points for eating the Fruit Targets that appear in the maze.

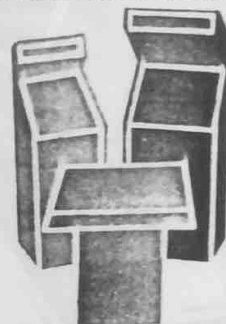
**100 Points**

**300 Points**

**500 Points**

Or up to a maximum of 5,000 Bonus Points.

PAC-MAN is available in 3 Midway models: New Mini-Myte, Cocktail Table and Standard Arcade.



HEIGHT	WIDTH	DEPTH
58 1/2" 149 cm	19 1/4" 49.5 cm	24" 61 cm
29" 74 cm	32" 81.25 cm	22" 56 cm
82 1/2" 210 cm	37 1/2" 95 cm	18 1/2" 47 cm



**MIDWAY MFG. CO.**

A BALLY COMPANY  
10750 West Grand Avenue  
Franklin Park, Illinois 60131  
Phone: (312) 451-1360  
For service information—call toll free 800-323-7182

DISTRIBUTED BY:



Printed in U.S.A.



A labyrinth of fun & amusement!



**PAC-MAN**

Produced by Midway Mfg. Co. under license from Namco Ltd.



**MIDWAY'S  
AMAZING NEW  
1 or 2 PLAYER  
FULL COLOR  
VIDEO GAME!**



# ATARI®

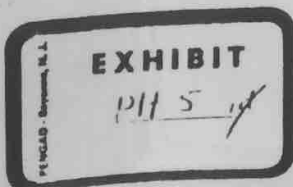
Video Computer System™

## THERE'S NO COMPARING IT WITH ANY OTHER VIDEO GAME.

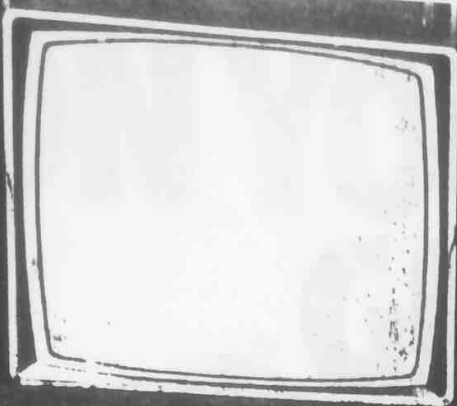
Only ATARI makes the games the world wants most. Games that are innovative. Intense. Incredibly involving. And totally original.

In 1980 ATARI invaded the minds of millions with Space Invaders\*. It went on to become the single most popular video game in the world and thereby launched the space age game category.

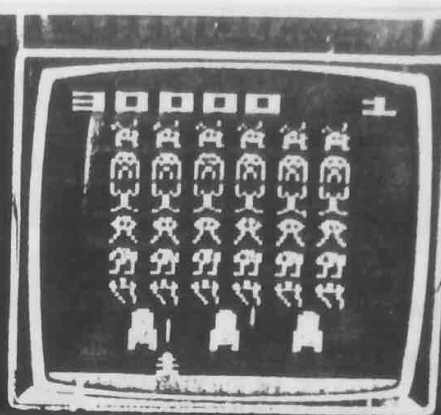
Today ATARI Missile Command™ and Asteroids™ are the fastest selling home video games in the country. And judging by its current success in the arcades, ATARI Pac Man\*\* is slated for the same next year.



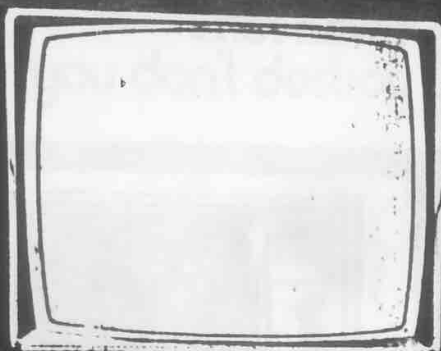
\*Indicates trademark of the Taito America Corp.  
\*\*Indicates trademark of the Midway Mfg. Co.  
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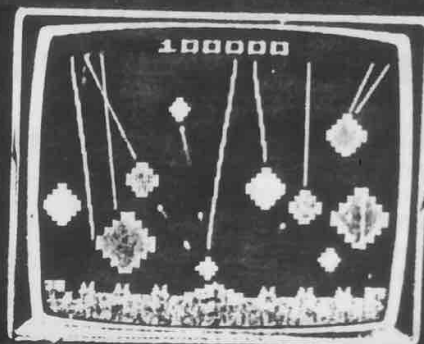
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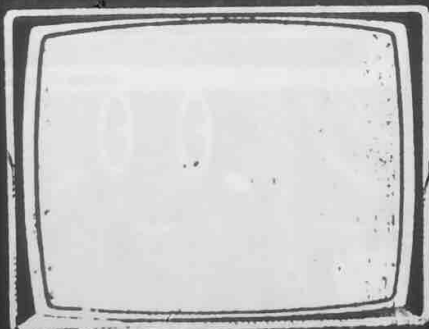
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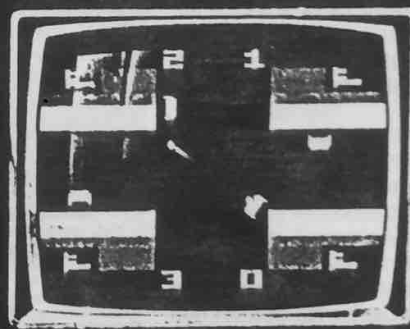
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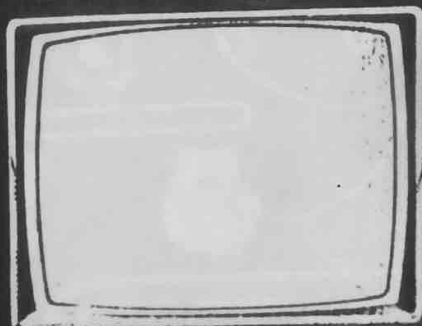
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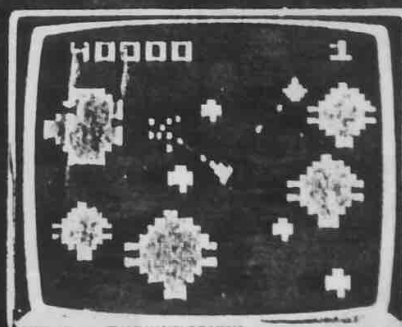
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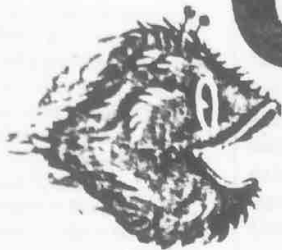
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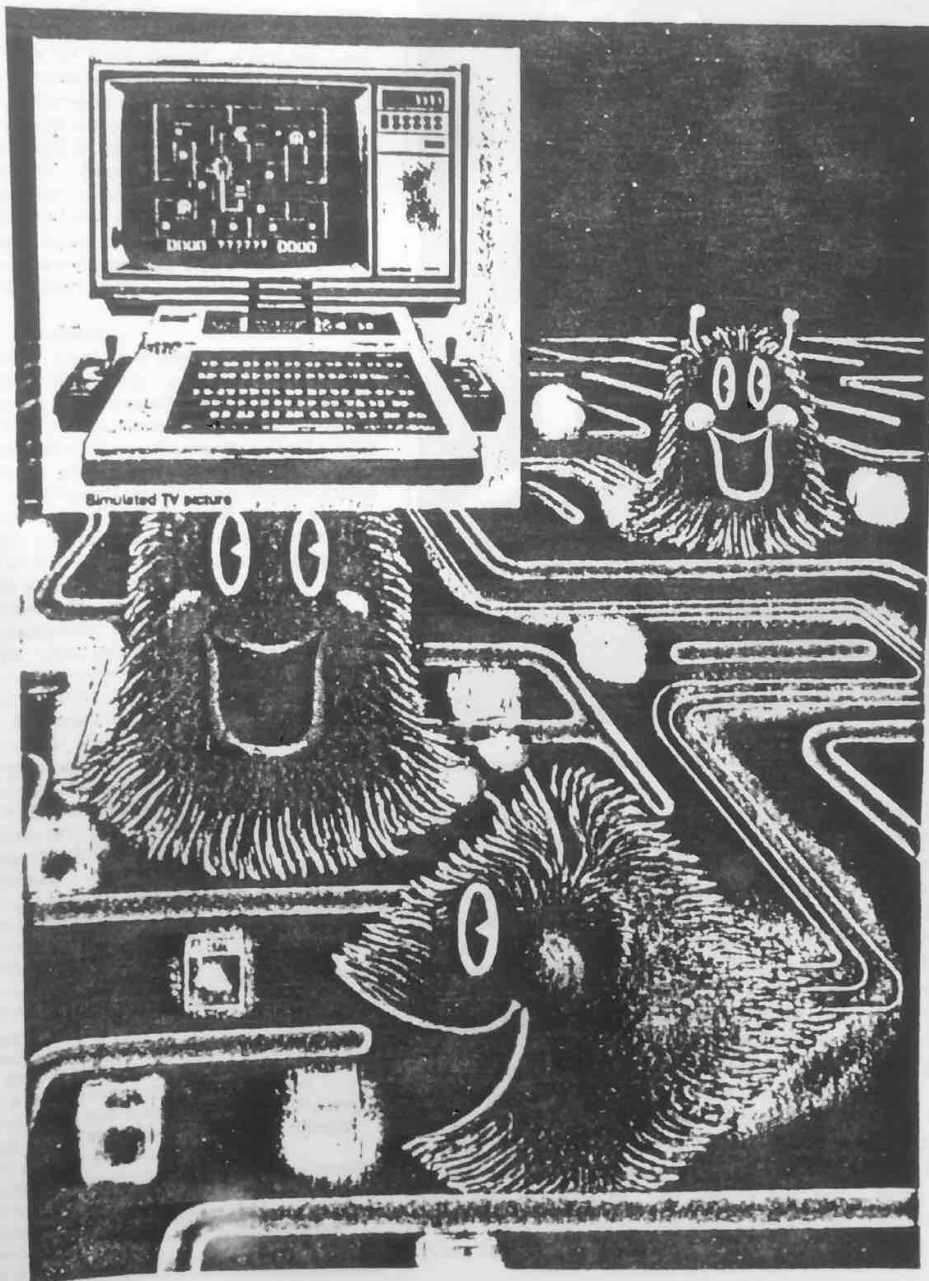
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• **Football**—captain a team of electronic superstars • **Bowling**—a true electronic simulation • **Basketball**—realistic, built-in gravity field • **Baseball**—electronic umpire calls balls and strikes • **Computer Golf**—nine-hole, par 36, electronic golf course • **Alpine Skiing**—3 different world-class championship events • **Hockey**—off-the-wall action on electronic ice • **Soccer**—a computerized version of this fast-growing sport • **Volleyball**—so real you can even spike a shot • **Electronic Table Soccer**—a computerized tournament soccer table • **Pocket Billiards**—play eight-ball or rotation

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## STRATEGIC GAMES:

• **Conquest Of The World**—set up current worldwide power strategy on the game board, then fight land, sea, and air battles on screen • **Dynasty**—the computerized descendant of the ancient Chinese strategy game of GO • **The Quest For The Rings**—takes you to an alternate world of dungeons, dragons and fire-breathing reality • Includes game board and expanded memory cartridge • **Las Vegas Blackjack**—a fifty-two-card deck, house rules, the real thing • Included with original Odyssey purchase

## DANCE

# Joffrey in Sterling Form

Like the pioneers before him, Robert Joffrey discovered America the hard way. Twenty-five years ago his six dancers (one doubled as a pianist) left New York in a borrowed station wagon for a series of one-night stands in eleven states. And so the Joffrey Ballet was born. For a long time, the company seemed doomed to an itinerant existence. Before they ever danced in Manhattan, they had toured the Soviet Union. Over the years the Joffrey has performed in

"The Green Table"; Léonide Massine's "Parade," which inspired the term "sur-realism" with its décor by Picasso and music by Erik Satie, and "Relâche," dadaism's last hurrah, with Satie's music and sets by Francis Picabia. At the same time, resident choreographer Gerald Arpino has contributed a steady if uneven infusion of works. Every once in a while—"Astarte," "Remembrances" and "Postcards"—Joffrey himself steps in with a masterwork. But he

has gone far afield in his search for choreography, bringing into the mainstream the works of such post-moderns as Twyla Tharp and Laura Dean.

The dancers embody the company's youthful vitality. To adapt to the Joffrey's extraordinary diversity of styles—Balanchine, Ashton, Cranko, de Mille, Robbins—they have to be agile, open and daring. Besides, they're an energetic, well-scrubbed troupe, second to none in exuding the sheer joy of dancing. No one reflects this more intensely than Denise Jackson, the company's uncrowned prima ballerina; Cynthia Anderson, her heir apparent, or the veteran Luis Fuente.

Birds: Among the novelties of this silver-anniversary season are "Light Rain," a new work by Arpino, and John Cranko's hilarious, evening-long "The Taming of the Shrew." To a score by Douglas Adams and Russ Gauthier that blends Oriental feeling with Western rock and jazz idioms, Arpino displays his best and worst sides. Bodies move like birds, catching the current of air; their pyrotechnics punctuate the action without slowing things down. But his pas de deux for Celeste Jabczenski and James Canfield lacks passion and, when he dives too deeply into metaphysics, Arpino gets bogged down in pretension.

The Stuttgart Ballet's Marcia Haydée and Richard Cragun, who originated the leading roles in "The Taming of the Shrew," coached the Joffrey dancers. It's a work that depends heavily on the three extended, unbelievably acrobatic pas de deux for Kate and Petruchio. The impossible must be brought off without a hitch. No one could have expected that miracle immediately, even from such Joffrey virtuosos as Beatriz Rodriguez and Gregory Huffman. But they'll get it. In the Joffrey, life has never been easy for 25 years. Miracles just take a little longer.

HUBERT SAAL



© Herbert Migdoll

Jabczenski, Canfield in 'Light Rain': Youth & Co.

every state but Hawaii—which is hard to get to by station wagon. A financial crunch that forced them into a six-month sabbatical—and brought them to the edge of oblivion—ended only last year.

But as the Joffrey celebrates its 25th birthday at its home in New York's City Center, the company is in the pink. The accent, as ever, is on youth, both in the repertory and in the dancers. Joffrey has carved out a distinctive homestead between the two tall towers of the New York City Ballet and American Ballet Theatre.

The heart of its repertory has always been a brilliant, wide-ranging mix of conservation and experiment. The Joffrey has rescued such twentieth-century classics as Kurt Jooss's passionate antiwar manifesto

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**Int. Cl.: 28**

**Prior U.S. Cl.: 22**

**United States Patent and Trademark Office**

**Reg. No. 1,230,042**

**Registered Mar. 8, 1983**

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**Principal Register**

**PAC-MAN**

Midway Mfg. Co. (Illinois corporation)  
10750 W. Grand Ave.  
Franklin Park, Ill. 60131, assignee of  
Entex Industries, Inc. (California corporation)  
Compton, Calif.

For: HAND HELD ELECTRONIC UNIT  
SOLD AS A GAME, in CLASS 28 (U.S. Cl. 22).  
First use Mar. 13, 1981; in commerce Mar. 13,  
1981.

Ser. No. 303,021, filed Mar. 27, 1981.

ROBERT PEVERADA, Examining Attorney

Int. Cl.: 28

Prior U.S. Cls.: 22 and 23

**United States Patent and Trademark Office**

**Reg. No. 1,259,524**

Registered Nov. 29, 1983

**TRADEMARK**

Principal Register

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Bally Midway Mfg., Co. (Illinois corporation)  
10750 W. Grand Ave.  
Franklin Park, Ill. 60131, change of name from  
Midway Mfg. Co. (Illinois corporation)  
Franklin Park, Ill.

For: COIN AND NON-COIN OPERATED  
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FOR PLAYING A GAME ON A VIDEO OUT-  
PUT DISPLAY, in CLASS 28 (U.S. Cls. 22 and 23).

First use Oct. 30, 1980; in commerce Oct. 30, 1980.

Ser. No. 355,969, filed Mar. 22, 1982.

J. TINGLEY, Examining Attorney

Int. Cl.: 28

Prior U.S. Cls.: 22, 23, 27 and 50

**United States Patent and Trademark Office**

**Reg. No. 1,260,102**

Registered Dec. 6, 1983

**TRADEMARK**

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First use Feb. 22, 1982; in commerce Feb. 22, 1982.

Owner of U.S. Reg. No. 1,230,042.

Ser. No. 391,825, filed Sep. 29, 1982.

JAMES WALSH, Examining Attorney

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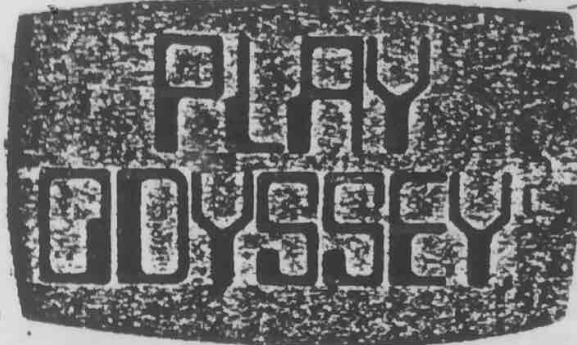
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CHICAGO SUN-TIMES  
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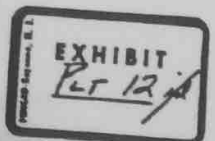
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# Santa Barbara

excited about; the San Ysidro Ranch, for those more rurally inclined, again with delightful cabins and a grand Sunday brunch; and the El Encanto Hotel, nestled into the Santa Barbara riviéra, up and away from everything else, surrounded by palms and eucalyptus, with a very pretty bar and outdoor dining.

If sunburn or basic beach boredom sets in, then rest assured that Santa Barbara offers a smorgasbord of other daylight delights. It has, for instance, a bird refuge—a huge, jade-green, lawn-surrounded lagoon aflutter with ducks and swans. It's located just across from East Beach, where some of the finest West Coast beach volleyball is played, especially on sunny Sundays.

And there's a harbor—a glorious harbor that's always humming with the comings and goings of abalone divers and crab fishermen and a fair share of yachts. Fishermen will tell you that the Santa Barbara channel offers some of the best fishing on the West Coast. Half-day boats leave twice a day from the harbor.

The backpacking enthusiast will be equally happy about the endless trails that zigzag across the hills around Santa Barbara. The Earthling Bookstore (on Victoria Street just off State) sells a good day-hike guide to the area.

And, of course, there's always the Santa Barbara Mission, a nice connection to old California. Right behind it is the lesser-known Natural History Museum.

And if all else fails, go shopping. Just take a long, slow walk up and down State Street, and you'll find everything from a Häagen-Dazs ice cream parlor to a tobacco shop, a bagel factory to a superb recycled-clothing store, and a really good selection of gift shops and boutiques. The El Paseo, Santa Barbara's most famous courtyard, offers wonderful cobblestoned pathways to a rock and mineral shop, a heady coffee bean and tea bazaar with a most theatrical owner, and a tiny Belgian fudge shop valiantly owned and operated by an elderly woman in a wheelchair.

(continued on page 76)

## DINING IN SANTA BARBARA

11. Very French quiches abound, and gloriously glossy fresh fruit tarts are a specialty.

### DINNER

Besides Joe's and The Head of the Wolf, Santa Barbara has five really superb French Continental restaurants, one very good seafood restaurant, and a beautiful new Mexican restaurant. All can be counted on for excellent service and a superlative repast. They are: **Epicurean Catering**, 125 E. Carillo Street (just off State) (966-4789). Habitues maintain that their "Breast of Chicken Jeannie" with its hot spiced apples and "sauce supreme" is one of the best chicken dishes ever conceived. **Chanticleer Restaurant**, 1279 Coast Village Road, Montecito (Santa Barbara's posh southern neighbor) (969-5959). Silver, crystal, china, linen, a bevy of fluttery waiters, and the best poached salmon imaginable.

**Talk of the Town**, 123 W. Gutterrez Street (966-2912). They say it gets a little insufferable with its high-handed formality, but the food is dependably great.

**La Chaumière**, 1305 State Street (962-5607). French cuisine par excellence.

**Penelope's**, 50 Los Patos Way (by the bird refuge) (969-0307). Many Santa Barbarians will swear on a stack of truffles that this is the finest restaurant in town. Creatively Continental, never boring, chateaulles here, sorrel there, and a stunning new "greenhouse bar." **The Famous Enterprise Fish Co.**, 225 State Street (963-8651). "There's a catch to our fish... It's fresh." **The Acapulco**, 1114 State Street, (963-3469). Recently opened in a historic Spanish-style building, this is the newest place to be seen. Upscale Mexican cuisine, exquisite decor, and twenty-one flavors of margaritas. —J.M.

Bon appétit!

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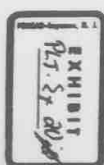
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## K.C. MUNCHKIN GAME CARTRIDGE.

29.99.



Special purchase. Race your Munchkin through the maze, gobbling up as many floating munchies as you can. But look out, three speedy Munchkins are after you and if they catch you, you're out of luck. Eat an energized munchie and you can gobble up the Munchkins. But beware, the more you munch the faster the game becomes. It's the popular arcade game you can now play on your own TV with the Magnavox Odyssey 2 game machine. Choose from an unlimited selection of mazes that you can program.

Video Games, 257.



USE YOUR BROADWAY HOLIDAY DEFERRED PAYMENT PLAN. NO PAYMENT DUE UNTIL AFTER JANUARY 15.

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Friday, Nov. 27 and Sat., Nov. 28 Plaza and Hollywood open 10 a.m. to 6 p.m., Crenshaw 10 a.m. to 7 p.m., Westchester, Carson and Long Beach 9 a.m. to 7 p.m. Order board open 24 hours a day. Dial 1 800 252 9174.

N.A.P. CONSUMER ELECTRONICS CORP.

March 5, 1982

Dear Odyssey Dealer:

The purpose of this letter is to bring you up to date on the status of the K. C. Munchkin home video game by Odyssey in relation to the law suit filed against North American Philips Corporation by Atari, Inc., claiming infringement of the PACMAN copyright.

On March 2, 1982, the United States Court of Appeals for the Seventh Circuit in Chicago reversed the decision of a lower court and ruled in favor of Atari in its request for an injunction pending a full trial. The Appeals Court instructed the trial court to enter an injunction pending the trial.

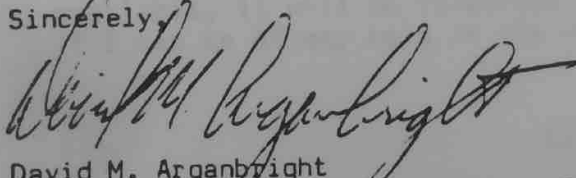
We do not agree with the Appeals Court decision and we are preparing a petition to the U. S. Supreme Court for review.

On March 5th, the injunction was entered and the enforcement of the injunction has been stayed by the Trial Court as permitted by the Appeals Court order. This means business as usual until the Supreme Court has finally reviewed the matter.

Kindly be assured that we will pursue every available legal action including the appeal to the U. S. Supreme Court and a full trial to protect our right to sell this fine game.

You may continue to advertise, display, and sell K. C. Munchkin on its own merits as a superior video game.

Sincerely,



David M. Arganbright  
Vice President & General Manager - Odyssey



## INTER-OFFICE MEMORANDUM

**CONFIDENTIAL**

Rita Hutner

JUL 15 1981

FROM: John Wattles

SUBJECT: COMPETITIVE ADVERTISING EXPENDITURE REPORT

Rita, attached for your review is a document generated by the Campbell-Ewald media research department. It is an expenditure report of the major Magnavox competition. The media expenditures are broken down by product category, by quarter, as well as by the various mediums. This information is gathered from five (5) different sources. It is the most reliable and accurate competitive expenditure data available. This information will be generated henceforth on a semi-annual basis.

This first competitive summary contains media expenditures for the calendar year 1980. As you can see, the bottom line of expenditures for Magnavox as well as the competition comes to \$119.4 MM. Of this aggregate total, television receiver products consume nearly 47%; Video Cassette Recorders, approximately 15%; 1.8% to video disc players; 8.5% to videogames; and 27.1% to a category classified as various. The various category is made up of audio/video items which are indistinguishable and are impossible to classify to any one product category.

The expenditure data is also broken out on a quarterly basis. As you can well imagine, the fourth quarter consumed the major portion of the expenditures, exceeding 49% of the total aggregate dollars (for all products). The first quarter was the second most heavily advertised period, receiving 22.2% of the dollars; the second and third quarters received approximately 29% of the aggregate.

Rita, when the information on the first six months of 1981 is available, it will be forwarded to you. Please review this information. If I can be of any help in any way, please give me a call.

*John*  
--John

/pms

cc: R. H. Schirmer  
C. A. Denton  
G. A. Back  
K. J. Baehr

Attachment



CE1277

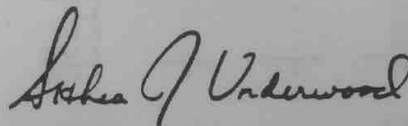


CAMPBELL-EWALD COMPANY

INTER-OFFICE MEMORANDUM

TO R. Paschke July 22, 1981  
FROM Media Information Services  
SUBJECT MAGNAVOX -- Competitive Expenditures Report, January to December  
1980 - REVISED  
M.I.S. #81-148

Attached is revised information for the Magnavox Competitive Expenditures Report covering the period January to December, 1980. Newspaper expenditures that were listed as "Magnavision" were placed into the video cassette recorder category whereas they should have been placed into the video disc player category. The appropriate changes have been made on the Video Cassette Recorder sheet (Table IV) and the Video Disc Player sheet (Table V), as well as the Summary by Advertiser sheet (Table I), and both of the Appendices (I and II).



Althea J. Underwood

/ma

Attachments

cc: B. Guggenheim  
J. Schenker  
J. Wattles

CE1278

## MAGNAVOX COMPETITIVE SUMMARY BY ADVERTISER

CALENDAR YEAR 1980

TABLE 1

		T.V. (000)	M.E.C. & PROJECTION TV (000)	VCR (000)	VDP (000)	VIDEO GAMES (000)	VARIOUS (000)	TOTAL (000)
<u>MAGNAVOX</u>	1st Qtr.	943.8	.2	50.6	482.0	49.5	479.3	2005.4
	2nd	468.0	1.1	78.1	782.6	-	81.0	1410.8
	3rd	1047.1	2.4	-	134.0	.3	48.8	1232.6
	4th	3555.2	-	19.7	461.9	1135.8	112.6	5285.2
	TOTAL	6014.1	3.7	148.4	1860.5	1185.6	721.7	9934.0
<u>G.E.</u>	1st Qtr.	2631.9	-	-	-	-	4389.6	7021.5
	2nd	170.2	-	-	-	-	6731.7	6901.9
	3rd	411.3	-	-	-	-	3804.5	4215.8
	4th	1801.7	-	969.1	-	-	6431.8	9202.6
	TOTAL	5015.1	0	969.1	0	0	21357.6	27341.8
<u>R.C.A.</u>	1st Qtr.	4848.1	-	1155.8	-	-	6.6	6010.5
	2nd	773.9	-	13.2	-	-	41.2	828.3
	3rd	3230.1	-	115.6	-	-	26.1	3371.8
	4th	8095.9	-	2654.8	-	-	20.0	10770.7
	TOTAL	16948.0	0	3939.4	0	0	93.9	20981.3
<u>ZENITH</u>	1st Qtr.	3276.3	-	430.3	-	-	274.1	3980.7
	2nd	648.5	-	26.3	-	-	167.4	842.2
	3rd	2771.0	-	362.9	-	-	193.8	3327.7
	4th	6768.2	-	1362.8	-	-	137.3	8288.3
	TOTAL	13464.0	0	2202.3	0	0	772.6	16438.9
<u>SONY</u>	1st Qtr.	766.8	-	863.5	-	-	118.4	1748.7
	2nd	73.6	9.8	760.0	-	-	558.3	1401.7
	3rd	1108.8	12.0	546.1	-	-	944.5	2611.4
	4th	2062.1	280.8	3646.2	-	-	1620.2	7609.3
	TOTAL	4011.3	302.6	5815.8	0	0	3241.4	13371.1
<u>SYLVANIA</u>	1st Qtr.	2523.0	-	-	-	-	-	2523.0
	2nd	52.1	-	-	-	-	-	52.1
	3rd	284.6	-	-	-	-	-	284.6
	4th	1691.3	-	-	-	46.2	-	1737.5
	TOTAL	4551.0	0	0	0	46.2	0	4597.2
<u>PANASONIC</u>	1st Qtr.	1.3	74.6	8.8	-	-	18.3	103.0
	2nd	.8	27.8	374.8	-	-	241.0	644.4
	3rd	1.4	.4	229.3	-	-	189.4	420.5
	4th	1059.4	.8	1456.1	-	-	318.9	2835.2
	TOTAL	1062.9	103.6	2069.0	0	0	767.6	4003.1
<u>CURTIS MATHES</u>	1st Qtr.	671.2	13.8	7.7	-	-	-	692.7
	2nd	1074.1	16.6	-	-	-	-	1090.7
	3rd	886.1	45.9	19.4	-	-	-	951.4
	4th	1125.4	7.7	8.8	-	-	-	1141.9
	TOTAL	3756.8	84.0	35.9	0	0	0	3876.7
<u>QUASAR</u>	1st Qtr.	42.7	-	-	-	-	797.9	840.6
	2nd	28.9	-	-	-	-	403.2	432.1
	3rd	216.4	-	6.8	-	-	631.1	854.3
	4th	206.0	-	12.4	-	-	1092.3	1310.7
	TOTAL	494.0	0	19.2	0	0	2924.5	3437.7

CE1279

## MAGNAVOX COMPETITIVE SUMMARY BY ADVERTISER

TABLE I

CALENDAR YEAR 1980

		T.V. (000)	M.E.C. & PROJECTION TV (000)	VCR (000)	VDP (000)	VIDEO GAMES (000)	VARIOUS (000)	TOTAL (000)
<u>ATARI</u>	1st Qtr.	-	-	-	-	442.0	147.2	589.2
	2nd	-	-	-	-	435.9	696.1	1132.0
	3rd	-	-	-	-	23.0	129.8	152.8
	4th	-	-	-	-	4552.6	1302.6	5855.2
	TOTAL	0	0	0	0	5453.5	2275.7	7729.2
<u>MATTEL</u>	1st Qtr.	-	-	-	-	410.8	-	410.8
	2nd	-	-	-	-	461.3	-	461.3
	3rd	-	-	-	-	65.3	-	65.3
	4th	-	-	-	-	2570.9	-	2570.9
	TOTAL	0	0	0	0	3508.3	0	3508.3
<u>JVC</u>	1st Qtr.	-	-	394.9	-	-	38.0	432.9
	2nd	-	-	369.0	-	-	33.9	402.9
	3rd	-	-	183.7	-	-	66.1	249.8
	4th	-	-	440.8	-	-	72.1	512.9
	TOTAL	0	0	1388.4	0	0	210.1	1598.5
<u>SEARS</u>	1st Qtr.	-	-	-	-	-	-	-
	2nd	-	-	-	-	-	-	-
	3rd	233.2	-	227.6	-	-	-	460.8
	4th	228.2	-	260.5	-	-	-	488.7
	TOTAL	461.4	0	488.1	0	0	0	949.5
<u>PIONEER</u>	1st Qtr.	-	-	-	-	-	-	-
	2nd	-	-	-	6.8	-	-	6.8
	3rd	-	-	-	256.6	-	-	256.6
	4th	-	-	-	682.5	-	-	682.5
	TOTAL	0	0	0	945.9	0	0	945.9
<u>MGA/MITSUBISHI</u>	1st Qtr.	-	105.8	22.4	-	-	-	128.2
	2nd	4.9	-	32.3	-	-	11.6	48.8
	3rd	-	107.4	47.7	-	-	7.7	162.8
	4th	-	197.2	84.0	-	-	-	281.2
	TOTAL	4.9	410.4	186.4	0	0	19.3	621.0
<u>MUNTZ</u>	1st Qtr.	29.0	-	-	-	-	-	29.0
	2nd	26.1	1.3	-	-	-	-	27.4
	3rd	.6	-	-	-	-	-	.6
	4th	-	5.1	-	-	-	-	5.1
	TOTAL	55.7	6.4	0	0	0	0	62.1
<u>BALLY</u>	1st Qtr.	-	-	-	-	-	-	-
	2nd	-	-	-	-	-	-	-
	3rd	-	-	-	-	-	-	-
	4th	-	-	-	-	-	-	-
	TOTAL	0	0	0	0	0	0	0
<u>GRAND TOTAL</u>	1st	15734.1	194.4	2934.0	482.0	902.3	6269.4	26516.2
	2nd	3321.1	56.6	1653.7	789.4	897.2	8965.4	15683.4
	3rd	10190.6	168.1	1739.1	390.6	88.6	6041.8	18618.8
	4th	26593.4	491.6	10935.2	1144.4	8305.5	11107.8	58577.9
	TOTAL	55639.2	910.7	17262.0	2806.4	10193.6	32384.4	115396.3

M.I.S. #81-148

7/22/81

CE1280

## MAGNAVOX COMPETITIVE SUMMARY

TABLE II

Calendar Year 1980

		TELEVISION							GRAND TOTAL (1980)
		NETWORK TV (000)	SPOT TV (000)	NETWORK RADIO (000)	SPOT RADIO (000)	MAGAZINES & SUPPLEMENTS (000)	NEWSPAPERS (000)	OUTDOOR (000)	
<u>MAGNAVOX</u>									
	1st Qtr.	284.0	449.1	-	-	97.0	108.8	4.9	943.8
	2nd	-	134.1	-	-	187.2	141.1	5.6	468.0
	3rd	388.6	333.2	-	-	240.3	85.0	-	1047.1
	4th	1804.8	282.2	-	-	681.6	85.2	5.1	3555.2
	TOTAL	2477.4	1198.6	0	696.3	1206.1	420.1	15.6	6014.1
<u>R.C.A.</u>									
	1st	2789.3	404.9	-	1.6	574.9	1077.4	-	4848.1
	2nd	387.5	117.1	-	.6	-	268.7	-	773.9
	3rd	1618.7	281.3	-	-	223.3	1106.8	-	3230.1
	4th	5700.1	406.6	-	-	938.3	1050.9	-	8095.9
	TOTAL	10495.6	1209.9	0	2.2	1736.5	3503.8	0	16942.0
<u>ZENITH</u>									
	1st	1418.3	549.4	-	-	802.7	505.9	-	3276.3
	2nd	124.0	178.2	-	-	180.4	165.9	-	648.5
	3rd	1444.7	685.9	-	-	341.9	298.5	-	2771.0
	4th	3726.9	1278.0	-	-	1302.4	460.1	.8	6768.2
	TOTAL	6713.9	2691.5	0	0	2627.4	1430.4	.8	13464.0
<u>G.E.</u>									
	1st	1326.5	345.3	-	-	960.1	-	-	2631.9
	2nd	-	123.1	-	-	-	47.1	-	170.2
	3rd	372.5	38.8	-	-	-	-	-	411.3
	4th	1547.7	35.6	-	-	44.2	174.2	-	1801.7
	TOTAL	3246.7	542.8	0	0	1004.3	221.3	0	5015.1
<u>SYLVANIA</u>									
	1st	1981.5	130.7	-	-	215.9	192.8	2.1	2523.0
	2nd	16.0	4.7	-	11.0	-	17.8	2.6	52.1
	3rd	256.6	19.7	-	1.8	-	3.9	2.6	284.6
	4th	1385.2	114.4	-	-	-	184.7	7.0	1691.3
	TOTAL	3639.3	269.5	0	12.8	215.9	399.2	14.3	4551.0
<u>SONY</u>									
	1st	-	111.5	-	-	154.3	501.0	-	766.8
	2nd	-	42.8	-	-	7.0	23.8	-	73.6
	3rd	470.7	5.6	-	-	398.9	233.6	-	1108.8
	4th	1021.3	69.7	-	-	525.0	446.1	-	2062.1
	TOTAL	1492.0	229.6	0	0	1085.2	1204.5	0	4011.3
<u>CURTIS MATHEWS</u>									
	1st	-	671.2	-	-	-	-	-	671.2
	2nd	-	1074.1	-	-	-	-	-	1074.1
	3rd	-	879.0	-	7.1	-	-	-	886.1
	4th	-	1111.3	-	14.1	-	-	-	1125.4
	TOTAL	0	3735.6	0	21.2	0	0	0	3756.8
<u>PANASONIC</u>									
	1st	-	1.3	-	-	-	-	-	1.3
	2nd	-	.8	-	-	-	-	-	.8
	3rd	-	1.4	-	-	-	-	-	1.4
	4th	217.0	473.7	-	-	368.7	-	-	1059.4
	TOTAL	217.0	477.2	0	0	368.7	0	0	1062.9
<u>QUASAR</u>									
	1st	-	42.7	-	-	-	-	-	42.7
	2nd	-	6.7	-	-	-	22.2	-	28.9
	3rd	192.5	9.0	-	-	-	14.9	-	216.4
	4th	140.7	53.0	-	-	-	12.3	-	206.0
	TOTAL	333.2	111.4	0	0	0	49.4	0	494.0
<u>SEARS</u>									
	1st	-	-	-	-	-	-	-	-
	2nd	-	-	-	-	233.2	-	-	233.2
	3rd	-	-	-	-	228.2	-	-	228.2
	4th	-	-	-	-	461.4	-	-	461.4
	TOTAL	0	0	0	0	922.8	0	0	922.8
<u>MUNTZ</u>									
	1st	-	.2	-	-	28.8	-	-	29.0
	2nd	-	.6	-	-	26.1	-	-	26.7
	3rd	-	-	-	-	-	-	-	-
	4th	-	-	-	-	-	-	-	-
	TOTAL	0	.8	0	0	54.9	0	0	55.7
<u>MGA/MITSUBISHI</u>									
	1st	-	-	-	-	-	-	4.9	4.9
	2nd	-	-	-	-	-	-	-	-
	3rd	-	-	-	-	-	-	-	-
	4th	-	-	-	-	-	-	-	-
	TOTAL	0	0	0	0	0	0	4.9	4.9
<u>GRAND TOTAL</u>									
	1st	7799.6	2706.3	-	1.6	2833.7	2385.9	7.0	15734.1
	2nd	527.5	1681.6	-	11.6	400.7	686.6	13.1	3321.1
	3rd	4744.3	2254.5	-	8.9	1437.6	1742.7	2.6	10190.6
	4th	15543.7	3824.5	-	710.4	4088.4	2413.5	12.9	26593.4
	TOTAL	28615.1	10466.9	0	732.5	8760.4	7228.7	35.6	55839.2

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M.I.S. #81-148

MAGNAVOX COMPETITIVE SUMMARY

TABLE III

Calendar Year 1980

PROJECTION T.V. & HOME ENTERTAINMENT CENTER

		<u>NETWORK TV (000)</u>	<u>SPOT TV (000)</u>	<u>NETWORK RADIO (000)</u>	<u>SPOT RADIO (000)</u>	<u>MAGAZINES &amp; SUPPLEMENTS (000)</u>	<u>NEWSPAPERS (000)</u>	<u>OUTDOOR (000)</u>	<u>GRAND TOTAL (000)</u>
<u>MAGNAVOX</u>	1st Qtr.	-	.2	-	-	-	-	-	.2
	2nd	-	1.1	-	-	-	-	-	1.1
	3rd	-	2.4	-	-	-	-	-	2.4
	4th	-	-	-	-	-	-	-	-
	<u>TOTAL</u>	<u>0</u>	<u>3.7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3.7</u>
<u>MGA/MITSUBISHI</u>	1st	-	-	-	-	105.8	-	-	105.8
	2nd	-	-	-	-	-	-	-	-
	3rd	-	-	-	-	107.4	-	-	107.4
	4th	-	-	-	-	197.2	-	-	197.2
	<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>410.4</u>	<u>0</u>	<u>0</u>	<u>410.4</u>
<u>SONY</u>	1st	-	-	-	-	-	-	-	-
	2nd	-	-	-	-	9.8	-	-	9.8
	3rd	-	-	-	-	12.0	-	-	12.0
	4th	-	-	-	-	280.8	-	-	280.8
	<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>302.6</u>	<u>0</u>	<u>0</u>	<u>302.6</u>
<u>PANASONIC</u>	1st	-	-	-	-	74.6	-	-	74.6
	2nd	-	-	-	-	27.8	-	-	27.8
	3rd	-	.4	-	-	-	-	-	.4
	4th	-	.8	-	-	-	-	-	.8
	<u>TOTAL</u>	<u>0</u>	<u>1.2</u>	<u>0</u>	<u>0</u>	<u>102.4</u>	<u>0</u>	<u>0</u>	<u>103.6</u>
<u>CURTIS MATHES</u>	1st	-	13.8	-	-	-	-	-	13.8
	2nd	-	16.6	-	-	-	-	-	16.6
	3rd	-	45.9	-	-	-	-	-	45.9
	4th	-	7.7	-	-	-	-	-	7.7
	<u>TOTAL</u>	<u>0</u>	<u>84.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84.0</u>
<u>MUNTZ</u>	1st	-	-	-	-	-	-	-	-
	2nd	-	1.3	-	-	-	-	-	1.3
	3rd	-	-	-	-	-	-	-	-
	4th	-	5.1	-	-	-	-	-	5.1
	<u>TOTAL</u>	<u>0</u>	<u>6.4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6.4</u>
<u>GRAND TOTAL</u>	1st	-	14.0	-	-	180.4	-	-	194.4
	2nd	-	19.0	-	-	37.6	-	-	56.6
	3rd	-	48.7	-	-	119.4	-	-	168.1
	4th	-	13.6	-	-	478.0	-	-	491.6
	<u>TOTAL</u>	<u>0</u>	<u>95.3</u>	<u>0</u>	<u>0</u>	<u>815.4</u>	<u>0</u>	<u>0</u>	<u>910.7</u>

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M.I.S. #81-148  
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## Calendar Year 1980

## VIDEO CASSETTE RECORDER

		NETWORK TV (000)	SPOT TV (000)	NETWORK RADIO (000)	SPOT RADIO (000)	MAGAZINES & SUPPLEMENTS (000)	NEWSPAPERS (000)	OUTDOOR (000)	GRAND TOTAL (000)
<u>MAGNAVOX</u>	1st Qtr.	-	15.5	-	-	35.1	-	-	50.6
	2nd	-	13.0	-	-	65.1	-	-	78.1
	3rd	-	-	-	-	-	-	-	-
	4th	-	-	-	-	19.7	-	-	19.7
	TOTAL	0	28.5	0	0	119.9	0	0	148.4
<u>SONY</u>	1st	54.6	80.3	-	-	-	728.6	-	863.5
	2nd	17.0	68.9	-	-	19.7	654.4	-	760.0
	3rd	325.9	4.5	-	-	-	215.7	-	546.1
	4th	2316.9	75.4	-	-	668.3	585.6	-	3646.2
	TOTAL	2714.4	229.1	0	0	688.0	2184.3	0	5815.8
<u>R.C.A.</u>	1st	1059.3	51.0	-	-	-	45.5	-	1155.8
	2nd	-	6.4	-	-	-	6.8	-	13.2
	3rd	-	7.3	-	-	-	108.3	-	115.6
	4th	1827.3	52.4	-	-	736.0	39.1	-	2654.8
	TOTAL	2886.6	117.1	0	0	736.0	199.7	0	3935.4
<u>ZENITH</u>	1st	354.6	62.2	-	-	-	13.5	-	430.3
	2nd	-	16.5	-	-	-	9.8	-	26.3
	3rd	216.5	60.3	-	-	55.0	31.1	-	362.9
	4th	799.5	236.6	-	-	310.9	35.8	-	1382.8
	TOTAL	1370.6	375.6	0	0	365.9	90.2	0	2202.3
<u>PANASONIC</u>	1st	-	8.8	-	-	-	-	-	8.8
	2nd	-	164.7	-	-	210.1	-	-	374.8
	3rd	-	8.4	-	-	220.9	-	-	229.3
	4th	425.4	551.4	-	-	479.3	-	-	1456.1
	TOTAL	425.4	733.3	0	0	910.3	0	0	2069.0
<u>J.V.C.</u>	1st	-	350.6	-	-	44.3	-	-	394.9
	2nd	-	369.0	-	-	-	-	-	369.0
	3rd	-	80.1	-	-	103.6	-	-	183.7
	4th	-	4.7	-	-	436.1	-	-	440.8
	TOTAL	0	804.4	0	0	584.0	0	0	1388.4
<u>G.E.</u>	1st	-	-	-	-	-	-	-	-
	2nd	-	-	-	-	-	-	-	-
	3rd	-	-	-	-	969.1	-	-	969.1
	4th	-	-	-	-	969.1	-	-	969.1
	TOTAL	0	0	0	0	1938.2	0	0	1938.2
<u>SEARS</u>	1st	-	-	-	-	-	-	-	-
	2nd	-	-	-	-	227.6	-	-	227.6
	3rd	-	-	-	-	260.5	-	-	260.5
	4th	-	-	-	-	488.1	-	-	488.1
	TOTAL	0	0	0	0	976.2	0	0	976.2
<u>MGA/MITSUBISHI</u>	1st	-	-	-	-	-	-	22.4	22.4
	2nd	-	-	-	-	-	-	32.3	32.3
	3rd	-	-	-	-	-	-	47.7	47.7
	4th	-	-	-	-	32.2	-	51.8	84.0
	TOTAL	0	0	0	0	32.2	0	154.2	186.4
<u>CURTIS MATHES</u>	1st	-	7.7	-	-	-	-	-	7.7
	2nd	-	19.4	-	-	-	-	-	19.4
	3rd	-	8.8	-	-	-	-	-	8.8
	4th	-	35.9	-	-	0	-	-	35.9
	TOTAL	0	73.8	0	0	0	0	0	73.8
<u>QUASAR</u>	1st	-	-	-	-	-	-	-	-
	2nd	-	6.8	-	-	-	-	-	6.8
	3rd	-	12.4	-	-	-	-	-	12.4
	4th	-	19.2	-	-	0	-	-	19.2
	TOTAL	0	38.4	0	0	0	0	0	38.4
<u>GRAND TOTAL</u>	1st	1468.5	576.1	-	-	79.4	787.6	22.4	2934.0
	2nd	17.0	638.5	-	-	294.9	671.0	32.3	1653.7
	3rd	542.4	186.8	-	-	607.1	355.1	47.7	1739.1
	4th	5369.1	941.7	-	-	3912.1	660.5	51.8	10935.2
	TOTAL	7397.0	2343.1	0	0	4893.5	2474.2	154.2	12262.0

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M.I.S. #81-148  
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MAGNAVOX COMPETITIVE SUMMARY

TABLE V

CALENDAR YEAR 1980

VIDEO DISC PLAYERS

		<u>NETWORK TV (000)</u>	<u>SPOT TV (000)</u>	<u>NETWORK RADIO (000)</u>	<u>SPOT RADIO (000)</u>	<u>MAGAZINES &amp; SUPPLEMENTS (000)</u>	<u>NEWSPAPERS (000)</u>	<u>OUTDOOR (000)</u>	<u>GRAND TOTAL (000)</u>
<u>MAGNAVOX</u>	1st Qtr.	-	259.5	-	-	-	222.5	-	482.0
	2nd	-	391.6	-	-	147.6	243.4	-	782.6
	3rd	-	115.8	-	-	-	18.2	-	134.0
	4th	-	293.3	-	-	-	168.6	-	461.9
	<u>TOTAL</u>	<u>0</u>	<u>1060.2</u>	<u>0</u>	<u>0</u>	<u>147.6</u>	<u>652.7</u>	<u>0</u>	<u>1860.5</u>
<u>PIONEER</u>	1st	-	-	-	-	-	6.8	-	6.8
	2nd	-	-	-	-	113.1	143.5	-	256.6
	3rd	-	-	-	-	555.3	127.2	-	682.5
	4th	-	-	-	-	668.4	277.5	-	945.9
	<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>668.4</u>	<u>277.5</u>	<u>0</u>	<u>945.9</u>
<u>GRAND TOTAL</u>	1st	-	259.5	-	-	-	222.5	-	482.0
	2nd	-	391.6	-	-	147.6	250.2	-	789.4
	3rd	-	115.8	-	-	113.1	161.7	-	390.6
	4th	-	293.3	-	-	555.3	295.8	-	1144.4
	<u>TOTAL</u>	<u>0</u>	<u>1060.2</u>	<u>0</u>	<u>0</u>	<u>816.0</u>	<u>930.2</u>	<u>0</u>	<u>2806.4</u>

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M.I.S. #81-148  
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MAGNAVOX COMPETITIVE SUMMARY

CALENDAR YEAR 1980

TABLE VI

VIDEO GAMES AND RECORDERS

	NETWORK TV (000)	SPOT TV (000)	NETWORK RADIO (000)	SPOT RADIO (000)	MAGAZINES & SUPPLEMENTS (000)	NEWSPAPERS (000)	OUTDOOR (000)	GRAND TOTAL (000)
<b>MAGNAVOX</b>								
1st Qtr.	-	1.0	-	-	48.5	-	-	49.5
2nd	-	.3	-	-	-	-	-	.3
3rd	-	-	-	-	231.2	12.4	-	1135.8
4th	427.9	454.3	-	-	279.7	12.4	-	1185.6
TOTAL	427.9	455.6	-	-	279.7	12.4	-	1185.6
<b>MATTEL</b>								
1st	-	349.0	-	-	61.8	-	-	410.8
2nd	207.4	112.7	-	-	141.2	-	-	461.3
3rd	-	65.3	-	-	-	-	-	65.3
4th	1595.3	751.0	-	-	224.6	-	-	2570.9
TOTAL	1802.7	1276.0	-	-	427.6	-	-	3508.3
<b>ATARI</b>								
1st	-	442.0	-	-	-	13.7	-	442.0
2nd	-	422.2	-	6.0	-	6.6	-	435.9
3rd	-	10.4	-	24.1	-	82.5	-	23.0
4th	3600.5	845.5	-	30.1	-	102.8	-	4552.6
TOTAL	3600.5	1720.1	-	60.1	-	102.8	-	5453.5
<b>SYLVANIA</b>								
1st	-	-	-	-	-	-	-	-
2nd	-	-	-	-	-	-	-	-
3rd	-	-	-	-	-	46.2	-	46.2
4th	-	-	-	-	-	46.2	-	46.2
TOTAL	-	-	-	-	-	92.4	-	92.4
<b>BALLY</b>								
1st	-	-	-	-	-	-	-	-
2nd	-	-	-	-	-	-	-	-
3rd	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>								
1st	-	792.0	-	-	110.3	13.7	-	902.3
2nd	207.4	534.9	-	6.0	141.2	6.6	-	897.2
3rd	-	76.0	-	24.1	455.8	141.1	-	8305.5
4th	5623.7	2060.8	-	30.1	707.3	161.4	-	10193.6
TOTAL	5831.1	3463.7	-	60.1	1314.6	222.8	-	10993.2

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## MAGNAVOX COMPETITIVE SUMMARY

CALENDAR YEAR 1980

TABLE VII

## VARIOUS

	NETWORK TV (000)	SPOT TV (000)	NETWORK RADIO (000)	SPOT RADIO (000)	MAGAZINES & SUPPLEMENTS (000)	NEWSPAPERS (000)	OUTDOOR (000)	CASH TOTAL (000)
<u>MAGNAVOX</u>								
1st Qtr.	142.0	247.9	-	-	-	89.4	-	479.3
2nd	-	45.6	-	21.4	4.4	9.6	-	81.0
3rd	-	15.3	-	31.0	-	2.5	-	48.8
4th	-	56.2	-	36.3	-	20.1	-	112.6
TOTAL	142.0	365.0	0	88.7	4.4	121.6	0	721.7
<u>G.E.</u>								
1st	3204.4	194.9	-	-	-	990.3	-	4389.6
2nd	4042.5	431.4	1046.2	-	-	1211.6	-	6731.7
3rd	1085.9	981.5	598.1	1.8	-	1137.2	-	3804.5
4th	2937.8	570.6	665.1	-	-	2258.3	-	6431.8
TOTAL	11270.6	2178.4	2309.4	1.8	0	5597.4	0	21357.6
<u>SONY</u>								
1st	-	3.1	-	87.2	-	28.1	-	118.4
2nd	-	6.4	-	207.2	-	40.9	-	558.3
3rd	344.6	.3	-	395.5	303.8	74.4	-	944.5
4th	-	22.6	-	758.8	129.7	834.5	-	1620.2
TOTAL	344.6	32.4	0	1448.7	437.8	977.9	0	3241.4
<u>QUASAR</u>								
1st	-	21.1	-	-	776.8	-	-	797.9
2nd	-	42.8	-	-	360.4	-	-	403.2
3rd	574.1	6.0	-	-	-	51.0	-	631.1
4th	546.2	73.5	-	-	413.0	59.6	-	1092.3
TOTAL	1120.3	143.4	0	0	1550.2	110.6	0	2924.5
<u>ATARI</u> (1)								
1st	-	15.4	-	-	131.8	-	-	147.2
2nd	-	10.2	-	-	685.9	-	-	696.1
3rd	-	.4	-	-	15.2	114.2	-	129.8
4th	-	2.2	-	-	530.1	770.3	-	1302.6
TOTAL	0	28.2	0	0	1363.0	884.5	0	2275.7
<u>ZENITH</u>								
1st	-	67.9	-	-	-	206.2	-	274.1
2nd	-	23.2	-	-	-	144.2	-	167.4
3rd	-	28.7	-	-	-	122.4	42.7	193.8
4th	-	3.1	-	-	-	134.2	-	137.3
TOTAL	0	122.9	0	0	0	607.0	42.7	772.6
<u>PANASONIC</u>								
1st	-	-	-	-	-	18.3	-	18.3
2nd	-	3.3	-	228.1	-	9.6	-	241.0
3rd	-	-	-	154.7	33.7	1.0	-	189.4
4th	-	37.1	-	48.7	233.1	-	-	318.9
TOTAL	0	40.4	0	431.5	266.8	28.9	0	767.6
<u>JVC</u>								
1st	-	-	-	-	38.0	-	-	38.0
2nd	-	-	-	-	-	-	33.9	33.9
3rd	-	-	-	-	-	-	66.1	66.1
4th	-	-	-	-	-	-	72.1	72.1
TOTAL	0	0	0	0	38.0	0	172.1	210.1
<u>RCA</u>								
1st	-	.7	-	5.9	-	-	-	6.6
2nd	-	9.9	-	1.1	-	30.2	-	41.2
3rd	-	8.2	-	4.3	-	13.6	-	26.1
4th	-	.6	-	-	-	19.4	-	20.0
TOTAL	0	19.4	0	11.3	0	63.2	0	93.9
<u>MGA/MITSUBISHI</u>								
1st	-	-	-	-	-	-	11.6	11.6
2nd	-	-	-	-	-	-	7.7	7.7
3rd	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-
TOTAL	0	0	0	0	0	0	19.3	19.3
<u>GRAND TOTAL</u>								
1st	3346.4	551.0	-	93.1	946.6	1332.3	-	6269.4
2nd	4042.5	572.8	1046.2	457.8	1354.5	1446.1	45.5	8965.4
3rd	2004.6	1040.4	598.1	587.3	178.6	1516.3	116.5	6041.8
4th	3484.0	765.9	665.1	843.8	1180.5	4096.4	72.1	11107.8
TOTAL	12877.5	2930.1	2309.4	1982.0	3660.2	8391.3	234.1	32364.4

\* May Include White Goods, Stereo Equipment, Video Products, Multi-product advertising and general promotion.

(1) Various expenditures for Atari are "personal video computer" expenditures.

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MAGNAVOXTOTAL ADVERTISERS COMPETITIVE SUMMARY BY MEDIA

Calendar Year 1980

CE287

	NETWORK TELEVISION \$(000)	SPOT TELEVISION \$(000)	NETWORK RADIO \$(000)	SPOT RADIO \$(000)	MAGAZINES & SUPPLEMENTS \$(000)	NEWSPAPERS \$(000)	OUTDOOR \$(000)	TOTAL \$(000)	% of TOTAL %
TELEVISION	28615.1	10466.9	-	732.5	8760.4	7228.7	35.6	55839.2	46.8%
HOME ENTERTAINMENT CENTER & PROJEC- TION TELEVISION	-	95.3	-	-	815.4	-	-	910.7	.8%
VIDEO CASSETTE RECORDER	7397.0	2343.1	-	-	4893.5	2474.2	154.2	17262.0	14.5%
VIDEO DISC PLAYER	-	1060.2	-	-	816.0	930.2	-	2806.4	2.3%
VIDEO GAMES	5831.1	3463.7	-	30.1	707.3	161.4	-	10193.6	8.5%
VARIOUS	<u>12877.5</u>	<u>2930.1</u>	<u>2309.4</u>	<u>1982.0</u>	<u>3660.2</u>	<u>8391.1</u>	<u>234.1</u>	<u>32384.4</u>	<u>27.1%</u>
TOTAL	54720.7	20359.3	2309.4	2744.6	19652.8	19185.6	423.9	119396.3	
% of TOTAL	45.8%	17.1%	1.9%	2.3%	16.5%	16.1%	.3%		



% EXPENDITURE ANALYSIS% EXPENDITURES BY MEDIA & PRODUCT

<u>TOTAL YEAR - 100%</u>	<u>NET TV</u> %	<u>SPOT TV</u> %	<u>NET. RADIO</u> %	<u>SPOT RADIO</u> %	<u>MAGAZINES</u> %	<u>NEWS-PAPER</u> %	<u>OUTDOOR</u> %
TV	51.2	18.7	-	1.3	15.7	13.0	.1
HEC & PTV	-	10.5	-	-	89.5	-	-
VCR	42.9	13.6	-	-	28.3	14.3	.9
VDP	-	37.8	-	-	29.1	33.1	-
VG	57.2	34.0	-	.3	6.9	1.6	-
VARIOUS	39.8	9.1	7.1	6.1	11.3	25.9	.7
TOTAL EXPENDITURES	45.8	17.1	1.9	2.3	16.5	16.1	.3

% EXPENDITURES BY QUARTER & PRODUCT

<u>TOTAL YEAR - 100%</u>	<u>1st QUARTER</u> %	<u>2nd QUARTER</u> %	<u>3rd QUARTER</u> %	<u>4th QUARTER</u> %
TV	28.2	6.0	18.2	47.6
HEC & PTV	21.3	6.2	18.5	54.0
VCR	17.0	9.6	10.1	63.3
VDP	17.2	28.1	13.9	40.8
VG	8.9	8.8	.9	81.4
VARIOUS	19.4	27.7	18.6	34.3
TOTAL EXPENDITURES	22.2	13.1	15.6	49.1

M.I.S. #81-148

7/22/81

CE1288

## CONFERENCE REPORT

DATE Meeting: Sept. 10, 1981 - Report: Sept. 15, 1981

PLACE Dallas

CLIENT MAGNAVOX

REPORTED BY John C. Wattles

PRESENT

CLIENTAGENCY

G. A. Michaelson

J. C. Wattles

R. E. Hutner (Part-Time)

G. A. Michaelson  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
C. A. Denton  
G. A. Back  
J. C. Wattles  
K. J. Baehr  
J. T. Homan  
L. M. Ross  
J. P. Huchok  
M. O. Bell  
T. G. Mack  
W. X. Ford  
L. W. Steinberg  
D. A. Naftel  
R. B. Petrella  
C. L. Upton  
R. J. Gervason  
R. L. Paschke  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
B. E. Brown  
M. V. Murray

PLAINTIFF'S  
EXHIBIT

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INTRODUCTION OF K. C. MUNCHKIN CARTRIDGE

Mr. Michaelson informed the Agency that he had secured an additional \$500,000 for the advertising promotion of the new K. C. Munchkin cartridge. Mr. Michaelson stated that this was nearly identical to the hottest coin operated game on the market, "Pac Man". Mr. Michaelson authorized the Agency to proceed with concepts as to the best way to introduce this K. C. Munchkin cartridge. The cartridge would begin to be shipped to the dealers in early November, therefore, advertising should hit approximately the same time.

K. C. MUNCHKIN MERCHANDISING

Prior to the consumer announcement of the K. C. Munchkin cartridge, a merchandising effort should be made to the dealers to introduce them to K. C. Munchkin as well as to inform them of its great similarity to the Pac Man cartridge. Mr. Michaelson stated that rather than an ordinary direct mail piece sent out, he would prefer something with a little more pizzazz to it, possibly along the lines of a hand puppet or some other 3-D item. The item should immediately grab the dealers attention and communicate the unique appeal of K. C. Munchkin to the consumer public.

ODYSSEY NEWSLETTER

The client informed the Agency that he would like to slow down the introduction of the Newsletter until the beginning of January. This move was initiated in order to guarantee that the content of the Newsletter was absolutely right and also so that Odyssey communication efforts were elongated to insure greatest impact and awareness.

Mr. Michaelson requested that the Newsletter be thought of in terms of a post Christmas promotion; it would introduce the Newsletter to the public as well as continue the awareness of our national message. Mr. Michaelson stated

CE1306

CONFERENCE REPORT

MAGNAVOK

September 10, 1981

Page - 2 -

the budget for this promotion and advertising would be approximately \$500,000, to be spent during the December 26 through January 1 period.

ODYSSEY - WORLD'S FAIR

The client requested the Agency to investigate the possibility of Odyssey advertising in and around the World's Fair site, specifically airport TDI's, billboards, etc., etc.

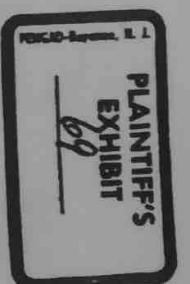
ODYSSEY - CES

The Agency verified with the client that the premise of the display for the January CES was to be "There are two ways to make a million dollars—you can gamble or you can sell Odyssey. Only one is a sure bet". The client agreed this was the premise and that the Agency should be recommending within the next few days ways to support this statement for the display area. December trade advertising was discussed and it was agreed that the execution on the advertising should be oriented around the January display idea.

\* \* \* \* \*

/jtw

CE1307



Video.

Approximate timing.

Audio.

Extreme closeup of munching;  
closeup of maze.

:08

SON (excited):

MOM (quickly):

SON:

000029  
Hey, that's him! That's, uh,  
that's...

No, it's K. C. Munchkin from Odyssey 2.  
And it's much better.

But it maneuvers through the  
maze, it eats dots and blobs  
just like... uh...

Full shot, screen and keyboard;  
closeup of maze.

:09

MOM:

It's K. C. Munchkin from Odyssey 2.  
With the only computer style keyboard  
that lets you program more difficult  
mazes. Invisible mazes. Even make  
your own.

:05

SON:

Let me try. Okay, K. C., start  
munching. Hey! It is better.

Full shot, screen and keyboard;  
medium closeup of cartridge,  
keyboard and screen

:07

ANNCR:

It's K. C. Munchkin from Odyssey 2.  
First again with the games  
America wants most.

Animated games and signature

7/11/79

# CAMPBELL-EWALD COMPANY

## DISTRIBUTION

### CONFERENCE REPORT

000405

DATE Meeting: October 15, 1981 - Report: October 26, 1981

PLACE Knoxville - VIA TELEPHONE

CLIENT MAGNAVOX

REPORTED BY John C. Wattles

PRESENT	CLIENT	AGENCY
	G. A. Michaelson	J. C. Wattles

~~G. A. Michael~~  
 R. E. Hutner  
 P. A. Dow  
 R. H. Schirme  
 C. A. Denton  
 G. A. Back  
 J. C. Wattles  
 J. E. Moore  
 K. J. Baehr  
 J. T. Homan  
 L. M. Ross  
 J. P. Huchok  
 M. O. Bell  
 T. G. Mack  
 W. X. Ford  
 L. W. Steinbe  
 D. A. Naftel  
 R. B. Petrell  
 C. L. Upton  
 O. K. Welch  
 T. D. Kane  
 R. L. Paschke  
 B. J. Gervaso  
 E. L. Acker  
 P. E. Floyd  
 T. G. Moore  
 B. E. Brown  
 M. V. Murray

CONFIDENTIAL

### K. C. MUNCHKIN -- MAIN FRAME JANUARY PROMOTION

Client informed Agency that he was considering a main frame promotion in the mid-to-late January period. Presently, his thoughts were of a promotion where a free Munchkin would be given with the purchase of an Odyssey master unit. Mr. Michaelson speculated that the Munchkin cartridge would be very strong and that it could help to move main frames. This would mainly be a retail promotion, therefore the Agency should consider concepts and cost of producing a television commercial on the cartridge K. C. Munchkin. Mr. Michaelson suggested that this commercial be concentrated on software primarily featuring K. C. Munchkin. This would be a 25-second commercial with 5 seconds tag.

\*\*\*\*\*

/pms

*We need the K.C.  
 Munchkin cartridge regardless  
 of the January promotion. We  
 need it for dealer use now!*





K-0-1

CAMPBELL-EWALD COMPANY

CONFERENCE REPORT

DISTRIBUTION

G. A. Michaelson  
R. W. Strickland  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
J. E. Moore  
G. A. Back  
J. C. Wattles  
K. J. Baehr  
J. T. Homam  
L. M. Ross  
J. P. Huchok  
E. F. Taylor  
R. E. Wasserman  
P. S. Tannen  
R. X. Stollerman  
J. X. Genova  
G. X. Weinman  
J. J. Gaydos  
K. E. Cendrowski  
R. H. Ross  
R. L. Paschke  
R. J. Gervason  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
T. J. Emerson  
M. V. Murray  
R. V. Conrad

CONFIDENTIAL

Meeting: January 13, 1982  
DATE Report: January 13, 1982

PLACE Knoxville

CLIENT ODYSSEY

REPORTED BY John C. Wattles

PRESENT  
CLIENT AGENCY  
G. A. Michaelson J. C. Wattles

ODYSSEY<sup>2</sup> GREAT GAME GIVEAWAY

Client informed Agency that all promotion redemptions be honored through the month of January, even though the end date for the promotion was January 10.

ACTION: John Wattles will inform CeCo Publishing of this client decision.

FEBRUARY MUNCHKIN CAMPAIGN

Agency discussed with Mr. Michaelson the various media plans and recommendations for the K. C. Munchkin, Pre-Pac Man campaign. Mr. Michaelson stated that he was leaning toward a two-week campaign existing of just :10 spots. However, he would like to think about the various alternatives presented. The Agency reiterated to Mr. Michaelson the potential risks of a :10 campaign and recommended against such a plan.

ACTION: Mr. Michaelson to deliver his decision to the Agency by Thursday, January 14, 1982.

\*\*\*\*\*

/pms



CE1942

# CAMPBELL-EWALD COMPANY

## CONFERENCE REPORT

### DISTRIBUTION

G. A. Michaelson  
R. W. Strickland  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
J. E. Moore  
G. A. Back  
J. C. Wattles  
K. J. Baehr  
J. T. Homan  
L. M. Ross  
J. P. Huchok  
E. F. Taylor  
R. E. Wasserman  
P. S. Tannen  
R. X. Stollerman  
J. X. Genova  
G. X. Weinman  
J. J. Gaydos  
K. E. Cendrowski  
R. H. Ross  
R. L. Paschke  
R. J. Gervason  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
T. J. Emerson  
M. V. Murray  
R. V. Conrad

Meeting: January 14, 1982

Report: January 14, 1982

PLACE Knoxville

CLIENT ODYSSEY

REPORTED BY John C. Wattles

PRESENT

CLIENT

AGENCY

G. A. Michaelson

J. C. Wattles

PLAINTIFF'S  
EXHIBIT

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*Let Dave H  
on distribution  
Gerry*

### ODYSSEY<sup>2</sup> K. C. MUNCHKIN FEBRUARY CAMPAIGN

Client informed Agency that he was in agreement with the Agency's recommendation of running :30 spots, instead of :10 spots. Mr. Michaelson requested the Agency take another look at the voice over copy so that the copy places greater emphasis on Odyssey<sup>2</sup> and the Odyssey<sup>2</sup> keyboard interaction capability. Agency will have new copy to Mr. Michaelson on Monday morning.

### ODYSSEY<sup>2</sup> K. C. MUNCHKIN MEDIA PLAN

Mr. Michaelson requested the Agency look at the use of cable TV, for cable users have a high incidence of purchase of video games, and a cartridge like K. C. Munchkin may sway them to purchase Odyssey<sup>2</sup>. Mr. Michaelson suggested that one week of spot TV be sacrificed for the use of the cable.

### ODYSSEY<sup>2</sup> VOICE SYNTHESIS

Mr. Michaelson requested the Agency generate a list of names for the voice synthesizer. Mr. Michaelson stated that currently the unit is called "The Voice". Mr. Michaelson is concerned that due to the low awareness of Odyssey<sup>2</sup> the voice should include the name "Odyssey<sup>2</sup>". Timing on this request is very tight.

### ODYSSEY<sup>2</sup> NEW CARTRIDGE NAME

Mr. Michaelson requested the Agency generate some names for the new cartridge. It is currently called Freedom Fighters. Timing on this request is very tight.

CE1943

CONFERENCE REPORT

ODYSSEY

January 14, 1982

Page - 2 -

ODYSSEY<sup>2</sup> - MIKE DOUGLAS SHOW

Mr. Michaelson requested the Agency look at an opportunity for Odyssey<sup>2</sup> -- appearing on the Mike Douglas Show. The show would consist of an interview plus a tournament. Cost \$45,000 for six program segments: a total audience of 50,000,000 viewers.

ODYSSEY<sup>2</sup> - LEISURE TIME ELECTRONICS

Client requested the Agency place a full page ad in the February issue of Leisure Time Electronics for \$4,200. They have offered an inside cover at no premium. Mr. Michaelson suggested the use of the CES ad. Mr. Michaelson also indicated that they would run extra copies for retail distribution.

\*\*\*\*\*

/pms

CE1944

# CAMPBELL-EWALD COMPANY

## CONFERENCE REPORT

000022

Meeting: January 18, 1982  
DATE Report : January 18, 1982  
PLACE Knoxville  
CLIENT ODYSSEY  
REPORTED BY John C. Wattles

PRESENT	<u>CLIENT</u>	<u>AGENCY</u>
	G. A. Michaelson	J. C. Wattles
	L. J. Schumann (Part-time)	

### DISTRIBUTION

D. M. Arganbright  
R. W. Strickland  
G. A. Michaelson  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
J. E. Moore  
G. A. Back  
J. C. Wattles  
K. J. Baehr  
J. T. Homan  
L. M. Ross  
J. P. Huchok  
E. F. Taylor  
R. E. Wasserman  
P. S. Tannen  
R. X. Stollerman  
J. X. Genova  
J. J. Gaydos  
K. E. Cendrowski  
R. H. Ross  
R. J. Gervason  
R. L. Paschke  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
T. J. Emerson  
M. V. Murray  
R. V. Conrad



# CONFIDENTIAL

### NAME LIST FOR ODYSSEY VOICE SYNTHESIZER

Agency presented to Mr. Michaelson a list of names generated for the Odyssey voice synthesizer as requested. Mr. Michaelson asked Linda Schumann to research the following names from the list: 1) The Voice; 2) Voice Command; 3) Voice Box.

### ODYSSEY NEW CARTRIDGE

Agency supplied to Mr. Michaelson a list of names generated for the new Challenger Series cartridges. Mr. Michaelson stated that he was not overpowered by any of the names and instructed Linda Schumann to proceed with the name "Freedom Fighters".

### REVISED COPY FOR :30 K. C. MUNCHKIN COMMERCIAL

Agency informed Mr. Michaelson that it was the Agency's recommendation not to totally change the copy that presently exists on the :30 television commercial for K. C. Munchkin. The rationale behind this decision was based on the following criteria:

1. Based on the results of the K. C. Munchkin commercial that aired in December, the commercial in its present form works. By that we mean the cartridges sold out, that it created immediate storeroom traffic and it created an awareness for this cartridge that had previously not existed.
2. It was in Odyssey's favor to maintain the present announcer and tone of the Munchkin commercial due to the fact that there exists some awareness for Odyssey, K. C. Munchkin and the elements of this commercial. This is in the effort to maintain some continuity between campaigns.

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000023

The Agency did agree with Mr. Michaelson that the copy should be revised somewhat, to further stress the advantages of the Odyssey keyboard and how they relate to this cartridge, as well as show some superiority over other maze-type games which are being introduced during this 1st quarter. In review of the revised copy, Mr. Michaelson stated that he did not believe that the copy was aggressive enough, it did not position Odyssey as being a superior maze-type game and direct comparisons may be required. Mr. Michaelson stated that he was in touch with the attorneys to find the degree of comparison that we're allowed versus Atari's introduction of Pac Man.

Mr. Michaelson suggested that maybe what was needed was an entire rewrite of the copy. Possibly utilizing two voices—a child as well as an adult, to stress Odyssey attributes as a maze game that is better than the competitive product; as well as the family orientation of the game.

Agency will return to Mr. Michaelson within the next day or so with new copy.

#### ODYSSEY K. C. MUNCHKIN COMMERCIAL

It was agreed the Agency would take another look at the end of the Odyssey commercial to make sure that the Odyssey logo was more legible than in the first K. C. Munchkin commercial, and that the end tag include the name of the cartridge "K. C. Munchkin". The subject of including a dealer tag on the commercial was discussed.

It was agreed that, based on the results of the December K. C. Munchkin campaign, a dealer tag was not a significant factor in sales and a version that will accommodate a :5 tag will be made available to the dealers.

#### ODYSSEY K. C. MUNCHKIN MEDIA PLAN

It was explained to Mr. Michaelson that the media plan would be available Tuesday morning. It was pointed out that the media plan did call for one full week of spot advertising, 35 markets, 150 TGRP's, as well as one full month of cable television advertising.

#### COLLEGE FOOTBALL RECOMMENDATION

Agency informed Mr. Michaelson that once again Magnavox/Odyssey had the opportunity to run on the backs of the college football programs as we did this past year with the Quest For The Rings ad. It was pointed out to Mr. Michaelson that the Agency's recommendation on this opportunity was to reject it. The basis of this recommendation was: 1) it was cost inefficient vs. other media publications and 2) College Game could not give us details as to the people who purchased their magazine; however, speculation is that the target audience somewhat conflicts with the defined target audience for Odyssey.

Mr. Michaelson stated that he felt the fourth cover for Odyssey in this publication seemed to be very appropriate to him and that he would like to look over the information provided by College Game and get back to the Agency with his decision. Agency informed Mr. Michaelson that the College Game would have to have an answer by February 1, 1982.



US AIR AIRLINES SWEEPSTAKES

000024

Agency presented to Mr. Michaelson a layout and dummy copy for the sweepstakes. Mr. Michaelson approved the headline in which the 45 video games are mentioned and the visual from the other layout. However, the on-screen action should be of K. C. Munchkin. Mr. Michaelson suggested that, if possible, insert into the layout a picture of the available software, especially the Master Strategy games.

TRADE ADVERTISING - LEISURE TIME ELECTRONICS

Discussed with Mr. Michaelson his request to place the CES ad in Leisure Time Electronics. Agency advised Mr. Michaelson that the CES ad was a bit outdated and that we would be better off revising the "Introducing the Money Machine" ad than we would using that slot machine CES ad. Mr. Michaelson agreed and requested the Agency to go ahead.

SPRING ISSUE ADVENTURE MAGAZINE

Agency informed Mr. Michaelson that if his schedule could be arranged, Jeff Gaydos and Paul Curtis of CeCo Publishing would like to meet with him in Detroit on Friday the 22nd to discuss the contents of the next issue of the Adventure magazine, as well as the receipt of responses on the premier issue of the magazine. Mr. Michaelson informed the Agency that it was impossible for him to be there on Friday the 22nd. He would prefer to be there Monday morning.

\*\*\*\*\*

/jtw

**CONFIDENTIAL**

## CAMPBELL-EWALD COMPANY

## CONFERENCE REPORT

000025

DATE Meeting: March 15, 1982 - Report: March 15, 1982

PLACE Knoxville

CLIENT ODYSSEY

REPORTED BY John C. Wattles

PRESENT	CLIENT	AGENCY
	G. A. Michaelson	J. C. Wattles

## DISTRIBUTION

D. M. Arganbright  
 G. A. Michaelson  
 R. W. Strickland  
 N. O. Friedrich  
 R. E. Hutner  
 P. A. Dow  
 R. H. Schirmer  
 J. E. Moore  
 J. C. Wattles  
 K. J. Baehr  
 J. T. Homan  
 L. M. Ross  
 J. P. Huchok  
 E. F. Taylor  
 R. E. Wasserman  
 J. W. Genova  
 G. X. Weirman  
 R. H. Ross  
 J. J. Gaydos  
 K. E. Cendrowski  
 R. J. Gervason  
 R. L. Paschke  
 E. L. Acker  
 P. E. Floyd  
 T. G. Moore  
 T. J. Emerson  
 M. V. Murray  
 R. V. Conrad

ODYSSEY GREAT WALL STREET FORTUNE HUNT

Mr. Michaelson requested the agency generate some new concepts on the layout of the Wall Street Fortune Hunt. He did not feel that the ad in its present form was strong enough support for the Odyssey system, nor did it communicate the Master Strategy's appeal to the adult market. This does not mean to say that the Wall Street Fortune Hunt should come across as a simulation of Wall Street itself.

ODYSSEY K. C. MUNCHKIN

Mr. Michaelson informed the agency that, in all likelihood, it looked as if the court case regarding K. C. Munchkin was going to be a losing effort, and requested the agency's recommendation as to ways that Odyssey and K. C. Munchkin could capitalize on this loss, whether it be through advertising and/or public relations.

\*\*\*\*\*

/pms

**CONFIDENTIAL**
**PLAINTIFF'S  
EXHIBIT**

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CAMPBELL-EWALD COMPANY

CONFERENCE REPORT

001324

DATE Meeting: March 18, 1982 - Report: March 19, 1982

PLACE Knoxville

CLIENT ODYSSEY

REPORTED BY John C. Wattles

PRESENT	<u>CLIENT</u>	<u>AGENCY</u>
	C. Quarton	J. Wattles

DISTRIBUTION

D. M. Arganbrig  
G. A. Michaelso  
R. W. Stricklan  
N. O. Friedrich  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
J. E. Moore  
J. C. Wattles  
G. A. Back  
K. J. Baehr  
R. D. Eick  
J. T. Homan  
L. M. Ross  
J. P. Huchok  
E. F. Taylor  
R. E. Wasserman  
J. W. Genova  
G. X. Weirman  
R. H. Ross  
J. J. Gaydos  
K. E. Cendrowsk  
R. J. Gervason  
R. L. Paschke  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
T. J. Emerson  
M. V. Murray  
R. V. Conrad

CONFIDENTIAL

ODYSSEY ADVENTURE MAGAZINE — K. C. MUNCHKIN LITIGATION

Agency discussed with Mr. Quarton, attorney for N.A.P., the legal ramifications of the Munchkin copyright decision in regard to the spring issue of the Adventure Magazine. Mr. Quarton mentioned he was going to be reviewing the spring issue of the magazine and discussing it with Mr. Michaelson. In the meantime, he would like the Agency to keep separate records of any changes required in the magazine due to this court decision. When, and if, the decision is overturned in a higher court, N.A.P. will be able to recover any monetary losses suffered because of this marketing injunction.

\*\*\*\*\*

/pms



## CAMPBELL-EWALD COMPANY

## CONFERENCE REPORT

CONFIDENTIAL

DATE Meeting: March 29, 1982 - Report: March 29, 1982

PLACE Knoxville

CLIENT ODYSSEY<sup>2</sup>

REPORTED BY John C. Wattles

PRESENT	<u>CLIENT</u>	<u>AGENCY</u>
	C. Quarton	J. Wattles

DISTRIBUTION

D. M. Arganbright  
G. A. Michaelson  
R. W. Strickland  
N. O. Firedrich  
R. E. Hutner  
P. A. Dow  
R. H. Schirmer  
J. E. Moore  
J. C. Wattles  
G. A. Back  
K. J. Baehr  
R. D. Eick  
J. T. Homan  
L. M. Ross  
J. P. Huchok  
E. F. Taylor  
R. E. Wasserman  
J. W. Genova  
G. X. Weirman  
R. H. Ross  
J. J. Gaydos  
K. E. Cendorwski  
R. J. Gervason  
R. L. Paschke  
E. L. Acker  
P. E. Floyd  
T. G. Moore  
T. J. Emerson  
M. V. Murray  
R. V. Conrad

ODYSSEY ADVENTURE MAGAZINE -- SPRING ISSUE

Agency reviewed with Mr. Quarton, N.A.P. attorney, the copy on the ODYSSEY ADVENTURE Magazine. The review of the magazine was in regard to the copy which referred to the K. C. Munchkin game cartridge. Mr. Quarton stated that the injunction issued against Odyssey from marketing this product prevents Odyssey from advertising, promoting, or displaying the product. He requested the Agency omit any such reference. However, he also stated that much of the Munchkin copy in the magazine dealt with the reporting of consumer letters and/or scores submitted for the High Score Contest. Because these did not promote the sale of the game, this copy could remain in the magazine.

Mr. Quarton also requested that the Agency submit a memo for his files in regard to the costs involved in making said changes.

ODYSSEY K. C. MUNCHKIN TELEVISION COMMERCIAL -- CANADIAN USE

Agency informed Mr. Quarton that N.A.P. of Canada had requested the use of the K. C. Munchkin television commercial to promote the sale of Munchkin in Canada. Mr. Quarton requested that N.A.P., Canada contact him to discuss this subject in further detail. The Agency stated they would pass this information on to the interested parties.

ODYSSEY ADVENTURE MAGAZINE -- WINTER ISSUE

Agency informed Mr. Quarton that a quantity of 25,000 copies of the Winter Issue of the ADVENTURE Magazine were still in inventory and that with his permission, due to K. C. Munchkin references, the magazines could be exhausted in various marketing aspects.

CE2458

CONFERENCE REPORT

ODYSSEY

March 29, 1982

Page - 2 -

Mr. Quarton stated that he would have to review the magazine contents prior to making this decision, and he would get back to the Agency.

ODYSSEY<sup>2</sup> COMPARISON BROCHURE/MONEY MACHINE BROCHURE

Mr. Quarton informed the agency that, due to K. C. Munchkin reference in the above stated brochures, they may not be distributed until the Munchkin references are omitted.

\*\*\*\*\*

/pms

CE2459

000069

P. 6-133

CONFIDENTIAL

OPTION TO PURCHASE RIGHTS TO  
MICROPROCESSOR VIDEO GAME SOFTWARE

---

This Agreement made this 6th day of July, 1978  
between MAGNAVOX CONSUMER ELECTRONICS COMPANY ("Magnavox"),  
having a place of business at 1700 Magnavox Way, Fort Wayne,  
Indiana 46804, and EDWARD AVERETT ("Averett"), doing  
business as Averett and Associates at 1727 Banff Drive,  
Sunnyvale, California 94084,

W I T N E S S E T H:

Whereas, Averett has developed certain proprietary  
software for playing educational games on a microprocessor  
controlled video game (hereinafter referred to as the "software")  
and is desirous of having Magnavox evaluate the software in  
confidence;

Whereas, Magnavox is desirous of obtaining an option  
to become Averett's exclusive licensee to use the software and  
to make, use and sell apparatus containing the software (the  
"license");

Now, Therefore, in consideration of the payment of  
Fifty Dollars (\$50) and other good and valuable consideration,  
the receipt and sufficiency of which is acknowledged, Averett  
hereby grants to Magnavox an option for the license and Magna-  
vox agrees to confidentially evaluate the software according to  
the following terms and conditions:

1. Magnavox shall confidentially evaluate the soft-  
ware and shall not disclose to anyone, except its employees  
involved with evaluating the software, any proprietary information



000070

concerning the software which it receives from Averett for a period of two (2) years from the date of this Agreement if it does not exercise its option under the terms of Paragraph 3.

2. Magnavox shall not use any proprietary information received from Averett relating to the software, not previously known by Magnavox or independently developed by Magnavox, in the manufacture, sale or use of its products unless it exercises its option to become licensed under Paragraph 3.

3. Magnavox shall have the option, exercisable within three (3) months from the date of this Agreement, to become Averett's exclusive licensee to use the software and to make, use and sell apparatus which contains the software, under the following terms and conditions:

(a) Magnavox shall pay to Averett a net royalty of seventy-five cents (\$.75) for each product sold by Magnavox containing the software.

(b) Averett warrants and represents that he has a complete and unencumbered title to said software, including the rights to sell, license and assign all rights to the software.

(c) Magnavox shall maintain sales records showing the number of sales made each month of apparatus containing the software. Averett shall upon thirty (30) days notice to Magnavox have the right to have said records inspected by an independent CPA not affiliated with Averett.

(d) Magnavox shall pay to Averett within thirty (30) days of its exercise of this option one Thousand Dollars (\$1,000) which shall be an advance on future royalties. Royalty reports showing the number of products containing the software sold by Magnavox, and royalty payments therefor, shall thereafter be made by Magnavox on a quarterly basis.

(e) Averett agrees that he will at Magnavox's request take all necessary steps to secure copyright protection for the software under the applicable United States copyright laws. **CONFIDENTIAL**

(f) Averett shall provide Magnavox with an object code in a machine readable form for reproducing said software. Averett shall supply the necessary documentation for Magnavox's production of an instruction book for playing the game embodied in the software. Averett shall cooperate in every reasonable way with Magnavox in the production of said instruction book, however, Magnavox shall reimburse Averett for any out-of-pocket expenses incurred resulting from such cooperation.

(g) Averett shall not disclose, offer for sale, lease, or otherwise make available the software to any other party during the term for which Magnavox is licensed.

(h) Upon exercise of the option, Averett and Magnavox shall execute a formal license agreement containing the foregoing provisions and any other terms reasonably necessary to secure Magnavox's rights under the license.

*15/10/80*  
~~4. Averett shall give Magnavox the first right to negotiate exclusive rights to license or purchase of any other software for playing games on a microprocessor controlled video game.~~

5. Averett shall not disclose, offer for sale, license or lease to any other party the software during the three (3) month period in which the option is exercisable by Magnavox.

6. Magnavox may exercise its option by giving notice in writing to Averett within three (3) months from the date of this Agreement at the following address:

Edward Averett  
Averett and Associates  
1727 Banff Drive  
Sunnyvale, CA 94087

7. This Agreement shall be interpreted in accordance with the laws of the state of Indiana.

8. This Agreement constitutes the entire agreement of the parties and may not be changed except by a written agreement signed by both parties.

EDWARD AVERETT

MAGNAVOX CONSUMER ELECTRONICS  
COMPANY

By: Edward Averett  
Title: Pres.

By: Charles L. Folk  
Title: Vice President

P. 137

INTERSTATE 40 AND STEAK PLAINS 1981  
P.O. BOX 6950 • KNOX, TENNESSEE 37914  
PHONE (615) 521-4322

000066

# N.A.P. CONSUMER ELECTRONICS CORP.

LAW DEPARTMENT

March 4, 1982

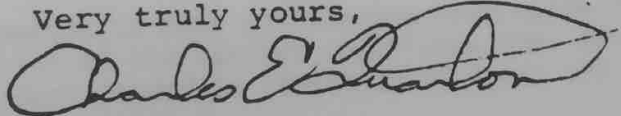
Mr. Edward Averett  
Averett and Associates  
2120 Wisteria Drive  
Hixson, TN 37343

Dear Ed:

We are sending this letter to place in writing the indemnity by NAPCEC which has been discussed with you.

NAPCEC will indemnify you for any liability which you incur because of the sale by the company of video game software which you have developed, upon the condition that you permit us to select attorneys to conduct the defense, allow us to control the defense, and extend your cooperation. The indemnity includes the costs of defense and covers the litigation on the K.C. Munchkin video game where the plaintiffs Atari and Midway are seeking to add you as a defendant.

Very truly yours,



Charles E. Quarton  
Patent Counsel

cl

cc: John M. Porter  
William T. Streeter  
Linda T. Schumann

APR - 6 RECD

Px 145

(INTEROFFICE COMMUNICATION)

MAGNAVOX

TO: Ham Schirmer  
John Wattles ✓

DATE: April 3, 1981

FROM: Jerry Nelson

SUBJECT: Odyssey Report  
Family Interviews  
Group Discussion

CONFIDENTIAL

I have reviewed the March 19 Odyssey report on family interviews and group discussions. It completely supports the concept that the customer's interest is aroused more by the software than the hardware. There are a lot of statements in the survey that support the idea that the print ad should be primarily a variety software ad. For example, the ad could be illustrations of all the game facings. Our message could be that we've got a lot of games to play and some of them are very unique. Anytime that Atari or Mattel hone in on a few games, they get out-positioned because our print ad says very graphically that we've got that game and more.

The TV ad becomes a version of the TV ad that you did last fall -- the one that ended with the phrase "even commercials from Magnavox." The copy rapidly fires the variety of software and establishes the positioning points. Note the following points from the survey in support of this:

"I liked the 38 other games to play, and explaining a little bit about it."

"Others were not intrigued by these two examples (Master Strategy Series) and expressed disappointment that the only additional games Odyssey is offering will be of this type."

"Responses to this positioning were quite favorable, primarily because of the list of the various cartridges that were available. Both owners and intenders tended to remark on at least one game that particularly caught their attention."

"The children were visibly enthused by the number and variety of the games. One young boy, who had originally picked Intellivision as his first choice, was so excited that he said: "You can keep Intellivision, I'll take this. When does it go on the market.""

"Even one father who had been rather lukewarm to the whole idea reluctantly admitted after reading the list "I'm not into games, but I'd like to try some of these."

"The listing of the games was also liked by most. Several observed that this increased their appreciation of the variety of games Odyssey<sup>2</sup> offered."

The list goes on. Owners of the game apparently often perceive a shortage of software -- either because they can't find software available locally or because they have a perception of our earlier offerings compared to Atari. Consequently, any advertising which establishes breadth in software helps resell our existing customer who is evidently an important link in recommending the product to others.

CE1175

Mr. Ham Schirmer  
Mr. John Wattles  
April 3, 1981  
Page Two

I'm sure you will agree that the research supports the above position. In case you don't agree, I'm not sure that I do either. My concern is that the research doesn't support any position -- including the one you may propose as a result of the research.

The comments were interesting and thought provoking -- but the base is too small. I am not prepared to spend four million dollars on the basis of this limited sampling. Where do we go from here?

It would seem that the sum total of the research, discussions and current situation establish the following criteria for our national advertising:

1. The objective is awareness. (For whatever it's worth, we can probably sell all the Odyssey we will make this year without any national advertising. This is an over simplification. However, the point is that our national advertising needs to build the base of awareness -- not necessarily sell product this year.
2. As stated in the strategy - "establish a position that (see attached note) Atari and establishes Mattel as too expensive." In any use of current research we must remember that Mattel does not have awareness either -- however, they will probably spend more money than we will spend this fall. The extent of the Mattel advertising could make their position different this fall when we read our ads than today when we test.
3. We must payoff the variety of software. We have too much perceived weakness in this area. Conversely, we cannot dwell too long on one game cartridge in the ad, this confuses the customer and he can end up with the perception that Odyssey is one game - not a variety of games.
4. It's important to payoff the price. This is a ticklish problem. Your attempts come very close.
5. Somewhere we must make the point of product superiority on:
  - a. 49-character alphabet and number keyboard. This is the superiority that establishes Atari as a too little game and Mattel as too expensive.
  - b. Universal hand controls

We need to establish that the total expenditure accomplishes the awareness objective. We know that Atari will spend \$15,000,000. My best guess is that

CE1176



Mr. Ham Schirmer  
Mr. John Wattles  
April 3, 1981  
Page Three

50% of this is national and 50% is co-op. However, that's a guess. We also know that Mattel will spend some large sum. Our eventual national budget will be higher than \$4,000,000 (based on increase in forecast). Myr Jones raised the point to me that he questions whether our expenditure of national funds on TV and print really will be comparatively effective.

I am concerned that we are coming from "how we spend the money", rather than "how we accomplish the objective." Whatever we do, we need a concentration of effort in a single message in a way that gets us considerable impact.

Looking forward to discussing this further with you.

Jerry Michaelson

JM:kic

CE1177

Note from Page Two:

Mr. Michaelson is out of town and mailed this letter for typing. There is a word missing which was not too legible. I've attached his handwritten copy for your information. If you have any questions, please call.

Karen Cornman  
Secretary to Jerry Michaelson

CE1178

of this limited sampling

spend four million <sup>dollars</sup> on the basis  
~~of research with six families~~. Where  
do we go from here?

It would seem that ~~this research~~ the  
sum total of the research, ~~and~~ discussions  
~~in our~~ and current situation establish  
the following criteria for our national  
advertising:

1. The objective is awareness (For  
whatever it's worth, we ~~could~~ <sup>can</sup> probably  
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~~between the~~ that ~~displaces~~ <sup>displaces</sup> Atari  
and establishes Mattel as the expensive."  
In any use of current research we  
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have awareness either - however, there

Px 147

(INTEROFFICE COMMUNICATION)

# N.A.P. CONSUMER ELECTRONICS CORP.

TO: M. Staup  
✓ L. Schumann  
R. Hutner  
G. Michaelson  
V. Graves  
R. Coker  
R. Ulrich  
S. Veltkamp  
B. Greer  
W. McDowell  
G. Gerdes  
B. Strickland

000050 DATE: 24 July 1981

FROM E. Collins

SUBJECT Scheduling of AC9435  
Game Cartridge

**CONFIDENTIAL**

cc: C. Heffron  
G. Simerly  
G. Hauke  
J. Creed

The subject meeting was called for the purpose of scheduling a new Odyssey game cartridge, AC9435, in order to achieve a smooth flow for Pre-Production of both cartridge and carton/instruction book. The earliest production date has been targeted for September 28, 1981.

The following schedule, covering both game cartridge and carton, will be issued by Program Timing Department the week of July 27:

## GAME CARTRIDGE

Testing July 23 - July 30  
BM July 27  
ROM Purch. July 30 - Sept. 11 Simerly/McDowell

## CARTON/I.B.

\* Carton Separation Aug. 14 - Aug. 38 Ulrich/Hutner  
\* Art Copy July 23 - Aug. 14 Lehner/Bradford  
\* I.B. Sep. Aug. 17 - Aug. 31 Ulrich  
Printing Aug. 31 - Sept. 7 Ulrich  
Name Generation July 23 - July 24 Schumann  
\* Carton Prod. Aug. 28 - Sept. 27 Ulrich

Label 591970-36  
IB 3784

## \* Critical Path

Any of the above milestones must be approved by Marketing Planning and other appropriate departments before proceeding further.

Page Two  
AC9435 Game Cartridge  
24 July 1981

000051

A name search is going to take place during the weeks of July 27 through August 10 on the following six selected names:

1. Pac Attack
2. Snack Man
3. Snack Pac
4. Motor Mouth
5. Munch Man
6. Gobblins

The quantity for the initial release has not been determined as of this date.  
R. Coker will supply this information during the week of July 27. - 200,000

*Elizabeth*

E. Collins

EC/sn

CONFIDENTIAL

Prepared for  
N.A.P. Consumer Electronics Corp.  
A North American Philips Company  
P.O. Box 6950  
Knoxville, Tennessee 37914  
Telephone (615) 521-4316



CONFIDENTIAL

# The video game wars.

Prepared by  
Trout & Ries Advertising  
1212 Avenue of the Americas  
New York, New York 10036  
Telephone (212) 869-8888



### Slide 1.

Several months ago, you asked us to undertake a positioning project on behalf of Odyssey. We're here today to report to you on the results of our strategic look at the video game wars.



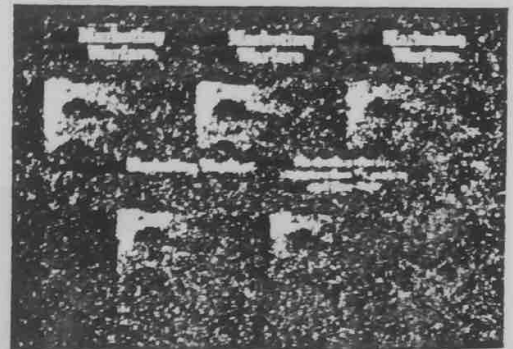
### Slide 2.

The framework for this study is a body of thought we developed several years ago called Marketing Warfare. As you may know, we've conducted a number of seminars on the subject and have been applying the principles of Marketing Warfare for our clients, and on a project basis.

Basically, we've been saying that marketing is entering a new era in the 1980's. An era that will make the 70's look like a Sunday school picnic.

It's going to be war out there as the name of the game will be, "Taking business from someone else."

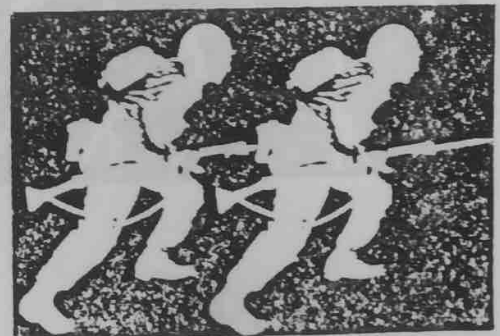
In fact, we see the traditional definition of marketing going the way of the Edsel. In other words, "being customer oriented" will no longer cut it in the 80's. Every company in every major category will be customer oriented.



### Slide 3.

To be successful in the 80's, a company must be "competitor" oriented. It must look for weak points in the positions of its competitors and launch market attacks against those weak points.

In short, it's time we in business learned to think like the military.



CONFIDENTIAL

#### Slide 4.

Marketing warfare is an attempt to apply military thinking to marketing problems.

Military science is thousands of years old.

Marketing, as a scientific discipline, is less than 50 years old. Marketing is long on "seat of the pants" thinking and short on theory. Military principles can help bridge the gap.

The best book on marketing, in our opinion, was written not by a Harvard professor.

Not by an alumnus of General Motors, General Electric or even Proctor & Gamble.

We think the best book on marketing was written by...

#### Slide 5.

... a retired Prussian General, Carl von Clausewitz.

Entitled "On War," the 1832 book outlines the strategic principles behind all successful wars.

In particular, Clausewitz isolated the two basic principles of warfare.

#### Slide 6.

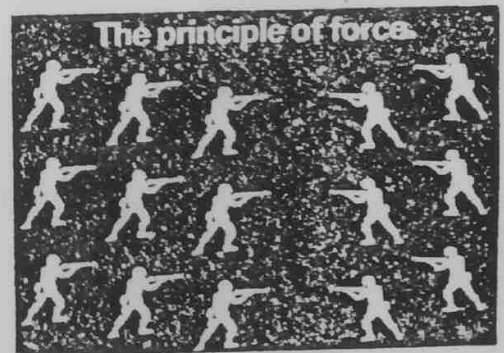
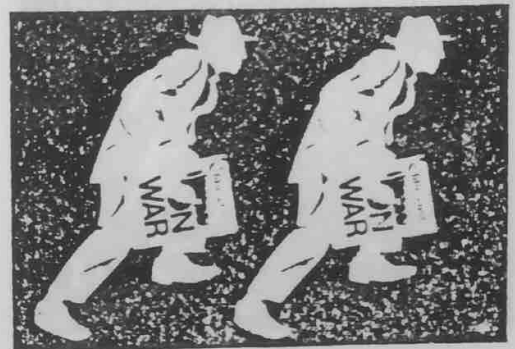
First is the principle of force. The big fish eat the small fish. The big company beats the small company.

When you examine the mathematics of a fire fight, it's easy to see why the big company usually wins.

Let's say that the red force has a 50 percent numerical superiority over the blue. Nine versus six. Ninety versus sixty, or nine thousand versus six thousand. It makes no difference what the numbers are, the principle is the same.

After just a few volleys, blue will be completely wiped out.

Clausewitz studied all of the military battles of recorded history and found only two where the victory went to the side inferior in manpower by a factor of more than two to one.



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The vast majority of the time, the larger force prevailed.

This result may be just the opposite of what you have been led to believe by all those Hollywood movies. The myth that a few marines can handle a company of Japanese.

What about differences in quality of personnel? Surely, quality is a factor as well as quantity.

And it is, but superiority of force is such an overwhelming advantage that it overwhelms even a quality difference.

The second principle of Clausewitz is . . .

### Slide 7.

. . . the superiority of defense.

No military commander would seek out combat with the odds stacked against him like the blue commander. Instead of an open fight, the blue force would most likely be arrayed in a defensive position behind an obstacle of some kind.

How does this change the mathematics of the situation?

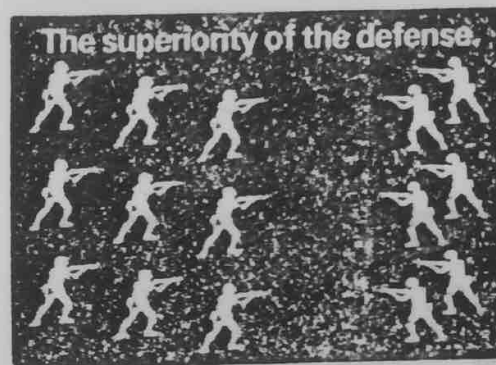
For a blue soldier, the odds are still the same, one out of three shots, that he will hit one of the red attackers.

What changes are the odds that a red soldier will be able to hit one of the blue forces which now has the security of a defensive position. Instead of one out of three, let's say that the odds increase to one out of nine shots.

(This corresponds to the difficulty of making "conquest" sales. That is, taking business away from an established competitor is usually much more difficult than getting business from a previously uncommitted prospect.)

After three volleys, red and blue would be at equal strength. Presumably, the red commander would call off the attack since he no longer has superiority of numbers.

The principle of the superiority of the defense has been proved throughout military history, most notably in 1815 at the little Belgian village of Waterloo where Wellington blocked Napoleon's return to glory.



CONFIDENTIAL

### Slide 8.

When you apply these principles to conflicts between armed forces, you discover there are different kinds of warfare. Depending on where you find yourself on this strategic square, you need to conduct yourself according to certain rules of the road.

The leader in a given business, often with dominant market share, is concerned with defense. Protecting what he already owns.

A strong number two would have the resources to mount an attack on number one, and go on the offensive.

Flanking moves are made by competitors who cannot undertake direct attacks, and therefore move into unoccupied areas (smaller, bigger, cheaper, more expensive, etc.). And guerrillas—well, the less said about them the better.

### Slide 9.

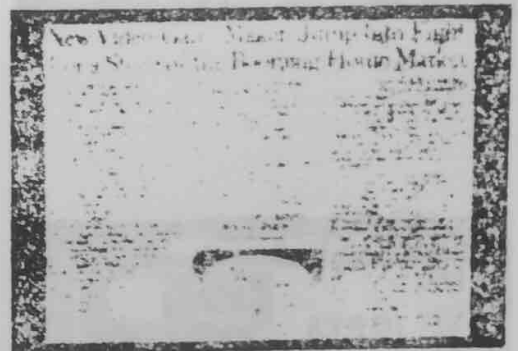
Our next step was to apply this type of discipline to the video game business. This recent article from The Wall Street Journal pretty much describes the various players—Atari with an estimated 75 percent of the market, Mattel with 15 percent, Odyssey with 9 percent and Astrovision with 1 percent.

In marketing warfare terms, and based on those market shares, this would translate into a strategic square that would look something like this.

### Slide 10.

Atari on defensive, both Intellivision and Odyssey attacking on offense. No one currently in a flanking mode, and Astrovision as a guerrilla marketer. Now we wanted to briefly take a look at how Atari and Intellivision have been conducting themselves.

Defensive warfare	Offensive warfare
Flanking warfare	Guerrilla warfare



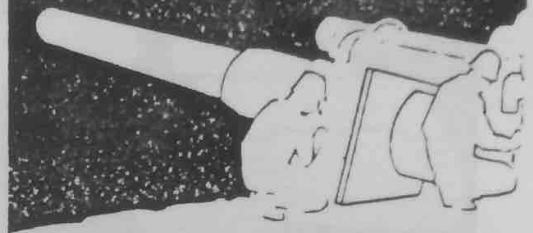
Atari	Intellivision Odyssey
Defensive	Offensive
Flanking	Astrovision Guerrilla

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## Slide 11.

Let's start with the principles of defensive warfare.

### Principles of defensive warfare.



## Slide 12.

First principle. Only the market leader should consider playing defense, and Atari is doing that very well.

Second, the best defensive strategy is to attack yourself. In other words to improve your weak points and shore up any area where you need to improve.

And third, strong competitive moves should always be blocked. Considering Atari's announced intention to improve their graphics and the overall quality of their game, it seems to us that they are indeed playing effective defense.

- 1** Only the market leader should consider playing defense.
- 2** The best defensive strategy is to attack yourself.
- 3** Strong competitive moves should always be blocked.

## Slide 13.

And with an announced 1982 promotion budget of \$40 million (some sources say it may be as high as \$60 million), Atari is certainly keeping the pressure on.



## Slide 14.

As Clausewitz says, "Power used at the right moment against the right adversary brings more power."

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"Power used at the right moment against the right adversary brings more power."





### Slide 15.

Now let's move onto Intellivision and take a look at the principles of offensive warfare.



### Slide 16.

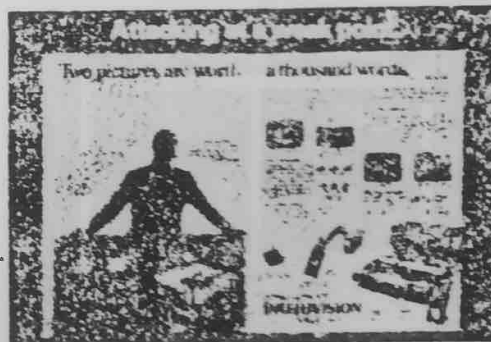
The first and main consideration of offensive warfare is the strength of the leader's position. Not so much our own strength but rather the strength of the brand or company we're trying to attack.

Secondly, that attack should be launched at the weakest position in the leader, and it should be launched on as narrow a front as possible.

- 1** The main consideration is the strength of the leader's position.
- 2** The attack should be launched at the leader's weakest position.
- 3** The attack should be launched on as narrow a front as possible.

### Slide 17.

Intellivision is indeed attacking at a weak point—Atari's inferior graphics. In almost all their promotion, Intellivision zeroes in on that side by side comparison to demonstrate their superiority.



### Slide 18.

Has Odyssey been attacking Atari at a weak point? It would certainly seem so with a consistent promotion line that emphasizes the excitement of a game combined with the mind of a computer. But let's go a little bit further and see if, indeed, Odyssey has been successful in that approach.

CONFIDENTIAL





### Slide 19.

As you probably remember from our book on the subject, we believe that the mind is the battleground for all marketing wars, and up there between seven inches of gray matter is where most of the battles are won or lost.

### Slide 20.

Based on some of the recent awareness studies, it would appear that you've been losing the battle for people's minds. In terms of both total brand awareness and advertising awareness, Odyssey is a distant third, well behind Intellivision and well behind Atari.

### Slide 21.

In a more intangible sense, we believe you're also losing the media battle for people's minds. This Forbes Magazine article, for instance, on video games, talks about Atari and Intellivision. Odyssey is never mentioned.

### Slide 22.

And you're losing the battle again when TV Guide puts a cover story on video games and fails to mention the number three brand. Out of sight and out of mind.

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The mind is the battleground.

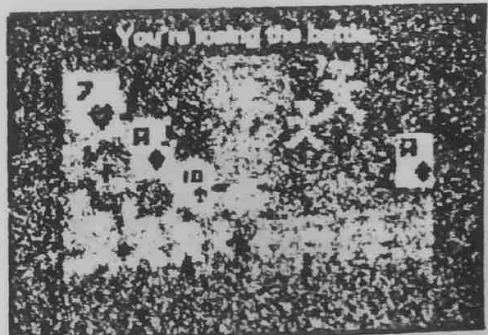
You're losing the battle.

	Total brand awareness	Advertising awareness
Atari	67	68
Intellivision	26	42
Odyssey	10	8

You're losing the battle.



You're losing the battle.



### Slide 23.

We stepped back a little bit and asked ourselves why this situation should be. Is it because there haven't been enough advertising dollars against the problem? Is it because we don't have enough game cartridges in comparison with the leaders? Is it possible we have the wrong name for our product?

One by one, we'd like to take a look at those three possibilities.

### Slide 24.

Based on the recently completed media weight test, it appears that ad dollars are not the problem. A conclusion from that fourth quarter 1981 test states, "The purchase preference for Odyssey did not change significantly at any level of media weight." If anything, the additional media weight appeared to help Atari the most. It's worth noting, of course, that this test was done using the current creative and current strategy.

### Slide 25.

Our conclusion on game cartridges is that cartridges are not a major problem. It's true that you are blocked from obtaining the hot new games. The Star Wars game and the new Disney movie, "Tron" will be going to other game manufacturers. But you have covered all major categories (arcade, sports, action, fantasy, educational, etc.).

And you're successfully producing very good knock-offs of successful games, such as Pac-Man and the new Defenders game. So we don't see this as a major problem.

### Slide 26.

The Odyssey name, however, could be a real problem. In a recent top of mind brand awareness study that was done for you, the findings show that the Odyssey name, after being in existence for 10 years, is known only by 3 percent of consumers. Yet, after only a few years, the Atari name is known by 60 percent of consumers and Intellivision by 5 percent.

### We asked ourselves why

- 1 Not enough ad dollars?
- 2 Not enough cartridges?
- 3 The wrong name?

### Ad dollars are not the problem.

"The purchase preference for Odyssey did not change significantly at any level of media weight."

Results of 4th Q 1981 media weight test.

### Cartridges aren't the major problem.

While you're blocked from obtaining the hot new games, you have covered all major categories and are successfully producing good knockoffs.

### Name could be a problem.

After 10 years in existence, the Odyssey name is known by only 3 percent of consumers.

After only a few years, the Atari name is known by 60 percent and Intellivision by 5 percent.

October 1981 study, top-of-mind brand awareness.

CONFIDENTIAL

### Slide 27.

Our observations about the name Odyssey are as follows: First, Odyssey is really a better name for a game cartridge than a video game system. In other words, Odyssey suggests an adventure, a passage, a journey from one place to another. In effect, a game.

And graphically, we do want to point out that the Odyssey name has been very difficult to read.

### Slide 28.

The original cascade effect in several colors is very hard for the uninitiated to decipher. The more recent computer-like typeface is not much better. But all these points are minor when stacked up against what we see as the real problem.

### Slide 29.

Your overriding problem is that Odyssey lacks a clearly focused strategy that successfully attacks a weak point in the leader.

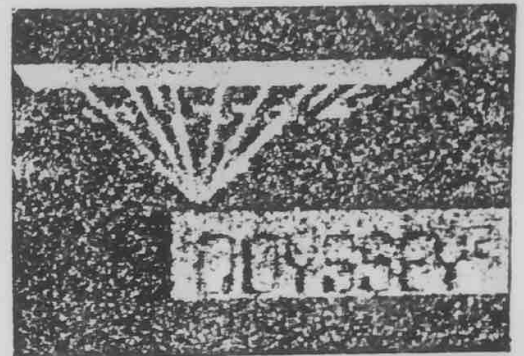
### Slide 30.

Because in strength there is always weakness. Each of these dominant brands has some weakness, and has been successfully attacked by a competitor. No organization, no company, no nation, no religion, no individual is without a weakness. It's our job to find the weakness and attack at that point.

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### Our observations.

1. "Odyssey" is a better name for a game cartridge than a video game system.
2. Graphically, the "Odyssey" name has been very difficult to read.



### Key problem.

You lack a clearly focused strategy that attacks a weak point in the leader.



### Slide 31.

As an illustration, we could ask where are the cola beverages strong? Well, between them, Coke and Pepsi account for nearly 60 percent of all soft drinks consumed in this country. That's intense market share and mind share.



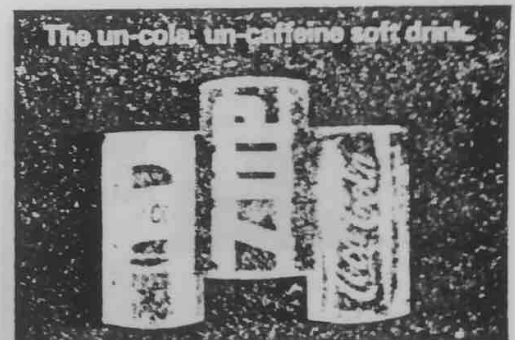
### Slide 32.

Yet, if you look closely at the ingredients, you'll find a weak spot: caffeine. All cola beverages contain considerable amounts of caffeine, a substance that is coming under increasing medical scrutiny for its possible damaging effects to your health.



### Slide 33.

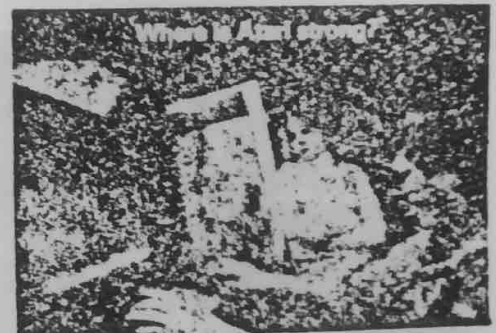
That may well lead 7-Up, for years the Un-Cola, to intensify its attack on the leading beverages by identifying itself as the one soft drink without caffeine. This is a clear illustration of the warfare principle of attacking at a weak spot.



### Slide 34.

Back to the video game wars. Where is Atari strong?

It seems to us that their overriding strength and their overriding perception is in the arcades. When it comes to the hot new games, the games people will play most, Atari has got you by the arcades. But it just may be that in that strength is a weakness.



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### Slide 35.

You may have noticed out there in America a certain reaction that's setting in against arcade games. This article in The New York Times describes why one enraged housewife is taking on the video games.

Why? Principally because they are closely linked to violence and violent activity. Especially in the way they promote shoot-em-up action.



### Slide 36.

That's not too surprising, when you consider that a Harris survey of 1,000 American adults last year showed that two-thirds of them believe violence is played up too much in this country, and that 71 percent believe we're too slow in finding ways of controlling violence.

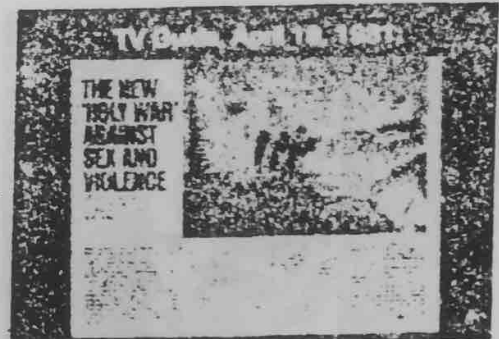
#### Harris Survey, April 6, 1981.

65 percent of adults believe "violence is played up too much in this country."

71 percent believe "this country is slow to find ways to control violence."

### Slide 37.

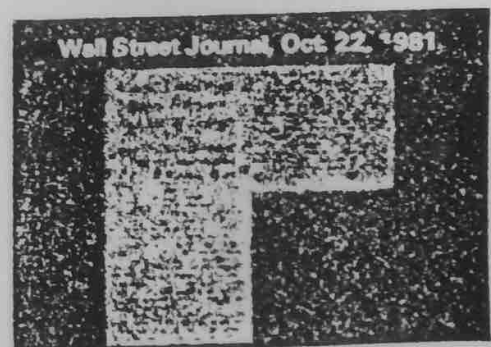
Television, of course, is the stage on which much of this controversy is played out. TV Guide in April of 1981 reported on the new holy war against sex and violence.



### Slide 38.

A Wall Street Journal article several months later commented on the casual link drawn between television and acts of violence.

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### Slide 39.

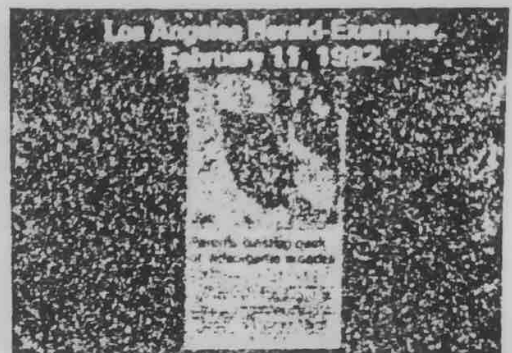
So when we read of villages zeroing in on space invaders, we shouldn't be too terribly surprised.

Says the article, "Some parents think their children need less warfare and more class time."



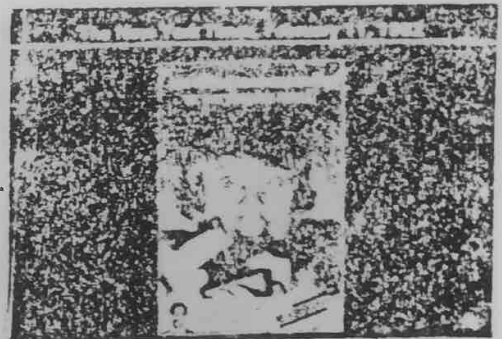
### Slide 40.

Just last week, the Los Angeles Herald-Examiner reported on another group of parents blasting back at the video game arcades.



### Slide 41.

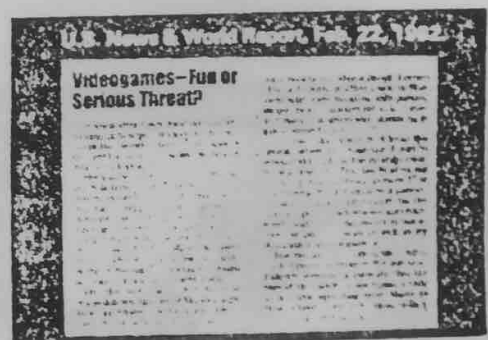
And on the same day, in The New York Times, a local television station was promoting its special news report on video games—are they expanding or warping your child's mind?



### Slide 42.

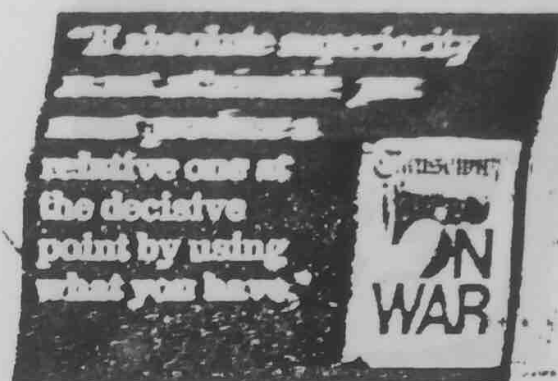
This is more than a bi-coastal phenomenon, however. The new issue of U.S. News & World Report observes that across America, in town after town, local officials are struggling to cope with a craze that has swept the country. All of this suggests to us a possible line of attack.

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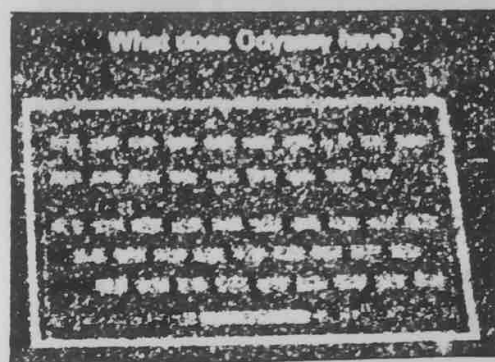
### Slide 43.

Says Chairman of the Joint Chiefs of Staff, "The only way to achieve relative superiority is by making skillful use of what you have."



### Slide 44.

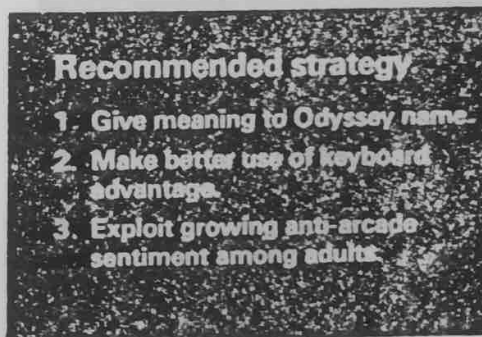
What does Odyssey have? The keyboard, of course. The one device that clearly differentiates you from the competitor. And as for making skillful use of what you have...



### Slide 45.

... our recommended strategy is first to give meaning to the Odyssey name, to make it stand for something. Second, to make better use of the keyboard advantage. And third, to do both of these while exploiting the growing anti-arcade sentiment among adults.

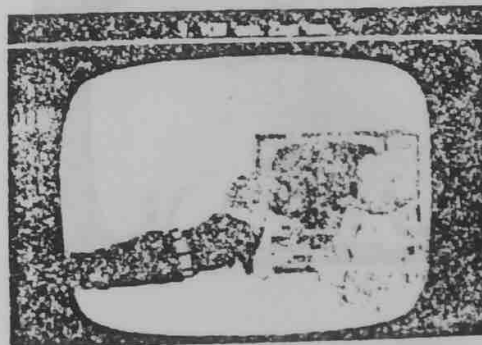
As you will see, this attacking strategy is clearly an adult-oriented strategy. We'd like to illustrate this recommended strategy for you in the prototype storyboard of a TV commercial.



### Slide 46.

The scene opens on two youngsters playing a popular asteroid-like video game, and their conversation goes, "Kill 'em. Zap 'em".

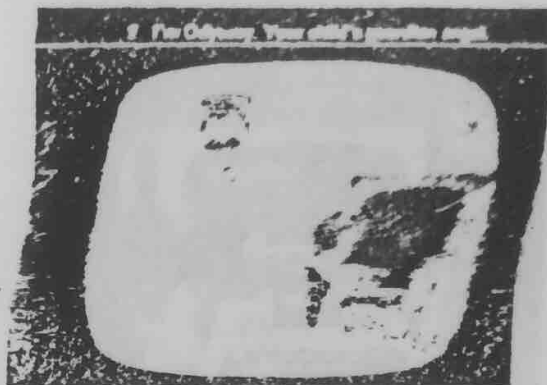
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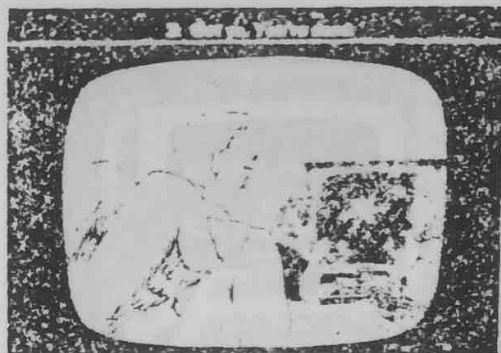
### Slide 47.

Suddenly, a character in a white suit with angel wings and a halo pops onto the screen. (He looks like James Blaster from the movie "The Godfather Part II".) He introduces himself as the guardian angel of the children. "I'm the guardian angel," he says.



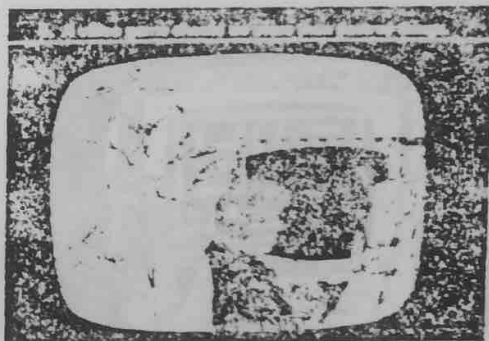
### Slide 48.

He turns to look at the TV set as the action continues. "Got ya," says one of the youngsters, "You're dead!"



### Slide 49.

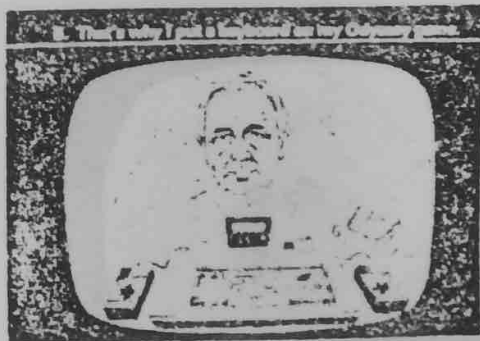
The guardian angel says, "A video game should do more than destroy things." He snaps his fingers and the set goes dark. The children react.



### Slide 50.

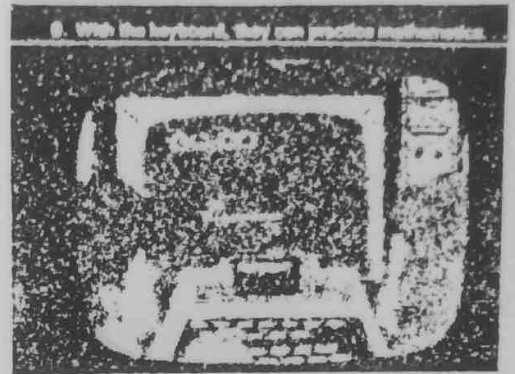
The guardian angel continues, "That's why I put a keyboard on my Odyssey game."

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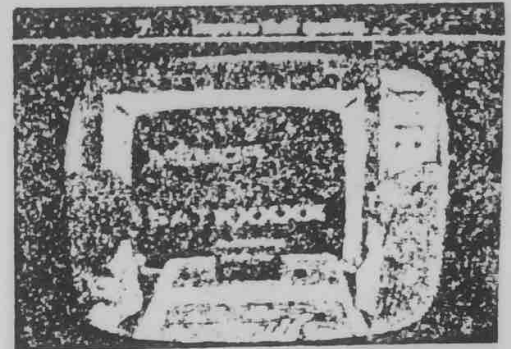
## Slide 51.

"With the keyboard, they can practice mathematics". . . and the children are now playing a mathematics game.



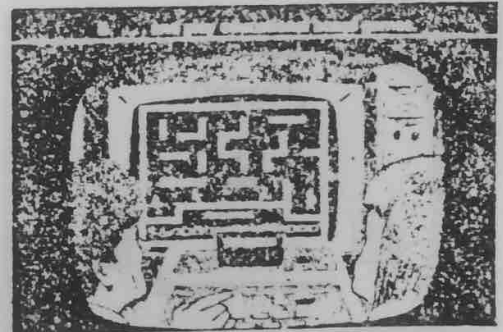
## Slide 52.

... "improve their spelling. . .



**Slide 53.**

... "and play educational board games.

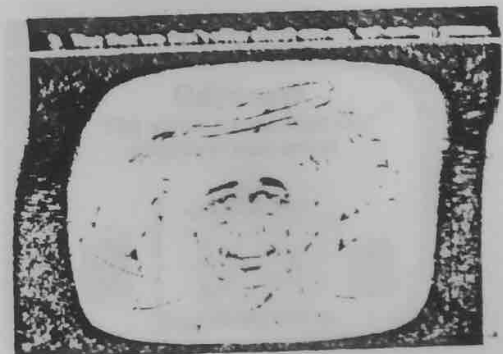


Slide 54.

"Not that we don't offer shoot-em-up, eat-em-up games," says the guardian against a new edition of this

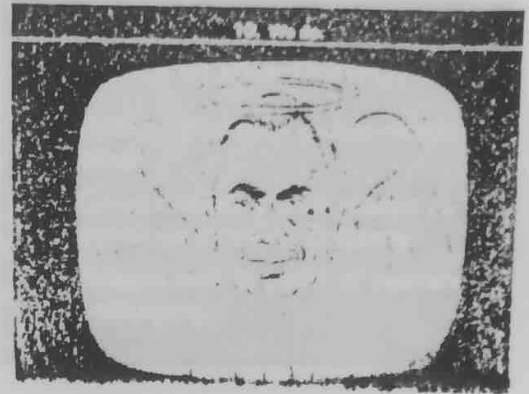
and is saying

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**Slide 55.**

He clears his throat. "We do."



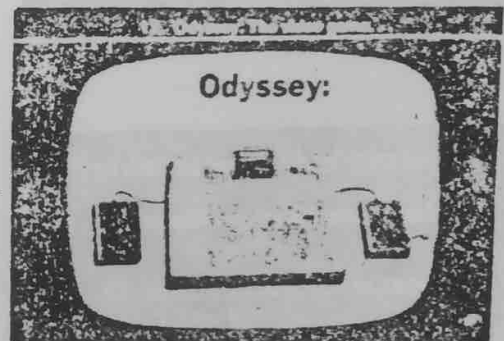
**Slide 56.**

"But children should not live by violence alone."



**Slide 57.**

"Odyssey. The video game. . .



**Slide 58.**

... "that can also improve your mind."



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## Slide 59.

We think you will see that this strategy has a number of important benefits. First, it sets up a powerful public relations platform under which Odyssey can admit to the negative side of video games while all the time pointing out what you're doing to improve their usefulness with schools, and so forth.

Two, by setting yourself up as a clear alternative, we believe you will give dealers a clear reason to continue stocking Odyssey.

And third, the guardian angel strategy adapts well to point of sale and packaging. The guardian angel would make a marvelous store display, for instance.

## Slide 60.

It even suggests a possible solution to the name problem. By employing a halo with a cleaner typeface for the Odyssey name, you would be locking the guardian angel strategy to the name itself.

## Slide 61.

We're very enthusiastic about the potential for this strategy, but realistically we should point out several potential problems.

Your competition could move to block you by pre-empting the idea. In total, your competition will still be outspending you by at least 10 to 1, so cutting through the noise level will be exceedingly difficult. And as it happens, one competitor named Intellivision already has a superior name for this particular strategy.

What we're saying is that, "Children should not live by violence alone" is conceivably a strategy that someone else could take away from you.

### Benefits of this strategy.

- 1 Sets up powerful public relations base
- 2 Gives dealers a clear reason to continue stocking Odyssey
- 3 Adapts well to point of sale and packaging

### Suggests a name graphic.



Odyssey

### Problems with this strategy.

1. Competition could move to block you.
2. Competition will still outspend you 10 to 1.
3. One competitor already has a superior name for this strategy.

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## Slide 62.

Says Clausewitz, "In war everything is very simple, but even the simplest thing is difficult."

**"In war, everything is very simple, but even the simplest thing is difficult."**



## Slide 63.

We also examined the potential for a completely different strategy. One that would employ the principles of flanking warfare.

**Principles of flanking warfare.**



## Slide 64.

A flanking attack is unlike an offensive attack in several ways. A flanking move should be made into an uncontested area. Tactical surprise is a crucial element of any successful flanking move. And the pursuit of the flanking territory can be just as important as the initial flanking attack itself.

- 1** A flanking move is one made into an uncontested area.
- 2** Tactical surprise ought to be an important element of the plan.
- 3** The pursuit is just as critical as the flanking attack itself.

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### Slide 65.

We asked ourselves where the video game war is going these days. A recent story on the subject in Advertising Age seems to suggest the answer.

Atari is about to introduce a new generation video game with a suggested list price of \$349.00. Mattel is about to offer a voice synthesis module as an option to its Intellivision, and they're also moving their keyboard component, a sort of home computer unit, into three additional test markets.

Both of these moves are clearly driving the market upward toward more sophisticated and more expensive video games.

### Slide 66.

It's revealing to examine where other wars have gone. Particularly those in electronics.

For such products as transistor radios, the pocket calculator and, more recently, the Sony Walkman, introductory price levels have not stood up for long. For these and many other electronic devices, introductory prices have fallen rapidly. And competitors have entered the market with lower-priced products.

### Slide 67.

That suggests to us a low-price flanking move on behalf of the management of Odyssey. In other words, much as Savin successfully flanked Xerox with a low-priced copier, and Digital Equipment Corp. successfully flanked IBM with a minicomputer, you should consider the same kind of approach.

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#### Where is the war going?

In the fall, Atari intends to introduce a new generation video game with a suggested list price of \$349.

Mattel is offering a voice synthesis module as an Intellivision peripheral (and) its long-delayed keyboard component, the home computer unit, has added three test markets.

Advertising Age  
January 11, 1982

#### Where other wars have gone.

	Introductory price	Present price
Transistor radio	\$ 55	\$10
Pocket calculator	100	10
Walkman	159	59

#### A low-price flanking move.





### Slide 68.

Our second recommended strategy would be to flank the industry with a new low-priced video game entry (priced under \$100.00).

This new game would have its own name and identity. It would not be an Odyssey game. It would, however, be compatible with most Odyssey software, which would have obvious pricing and packaging advantages.

And finally, this particular approach would be targeted to children, who are surprisingly susceptible to price, and who are excellent conveyors of that information to their parents.

### Slide 69.

In terms of a product strategy, we would recommend for this new low-priced entry that you first remove the keyboard, and then streamline the packaging and add a streamlined instruction sheet to the existing software.

Let's now take a look at a prototype television commercial that introduces this new low-priced video game.

### Slide 70.

The commercial opens with two nearly identical robots standing side by side. They introduce themselves. "I'm T2." "I'm V2," says the other.

### Slide 71.

"We'd like to show you the first programmable. . .

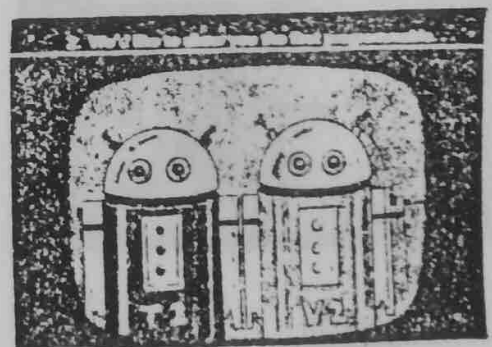
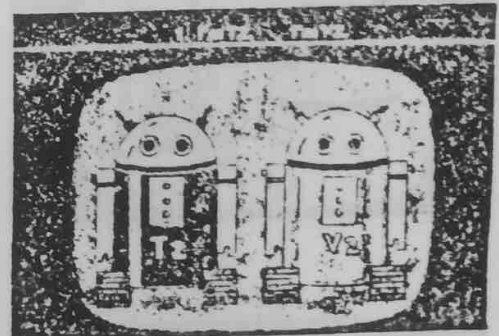
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### Recommended strategy<sup>2</sup>

1. Flank industry with a new low-priced entry (under \$100)
2. Give it its own name and identity.
3. Make it compatible with most Odyssey software.
4. Target advertising to children.

### Product strategy.

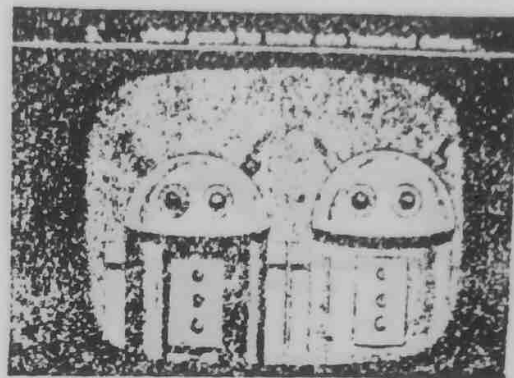
1. Remove keyboard.
2. Streamline packaging.
3. Add streamlined instruction sheet to existing software.





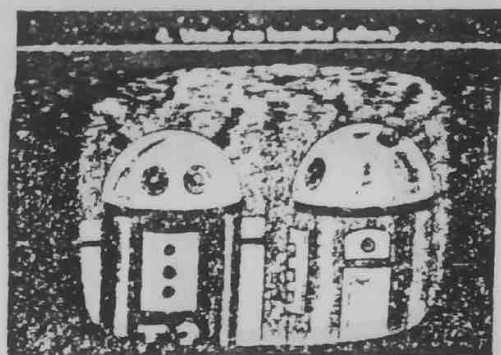
**Slide 72.**

... "video game for under \$100.00."



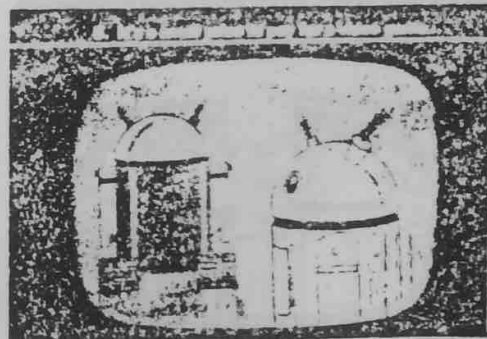
**Slide 73.**

One robot turns to the other and says,  
"Under \$100.00?"



**Slide 74.**

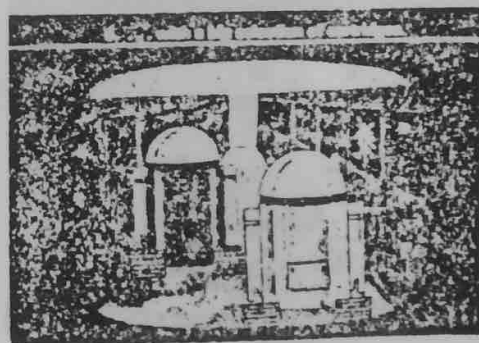
The first robot turns and rolls away. "It's a small  
price to pay for a video game. . .



**Slide 75.**

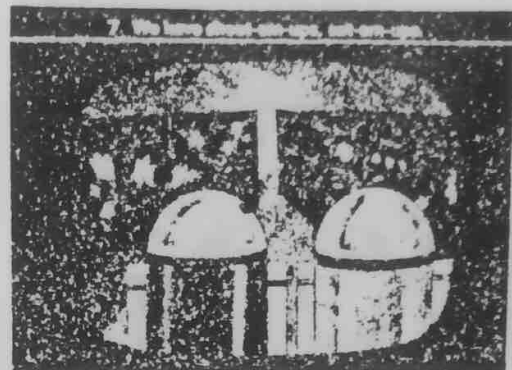
... "with a big selection of cartridges." Both robots  
begin rolling down a corridor of television screens on  
which are displayed all the various games possible.

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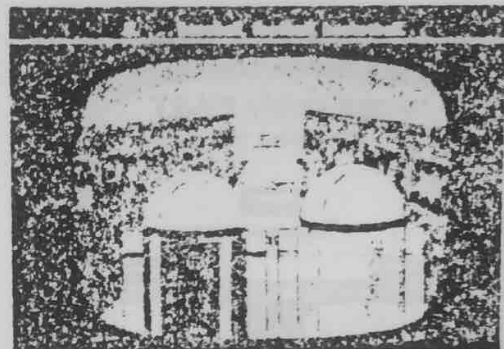
**Slide 76.**

Says one robot, "We have shoot-em-ups, eat-em-ups. . .



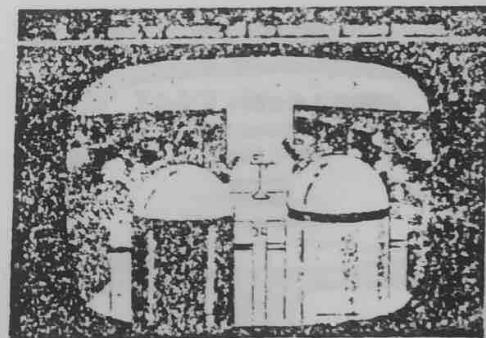
**Slide 77.**

. . . "baseball, football, basketball. . .



**Slide 78.**

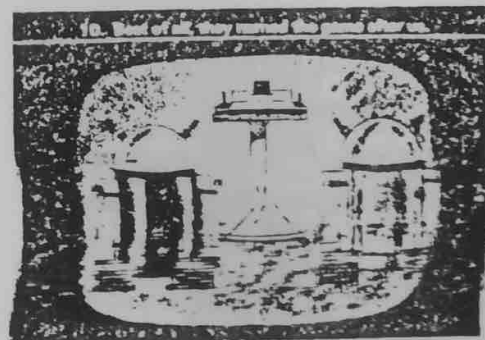
. . . "and, of course, all the exciting space games."



**Slide 79.**

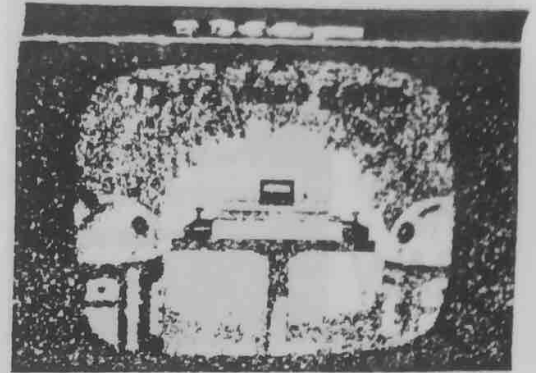
They approach the end of the corridor and a video game sitting on a pedestal. "Best of all," says one robot, "they named the game after us."

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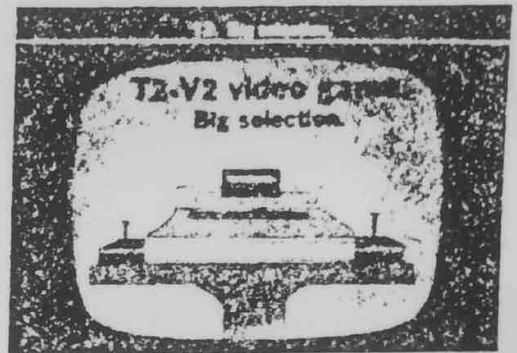
Slide 80.

"T2-V2 video game.



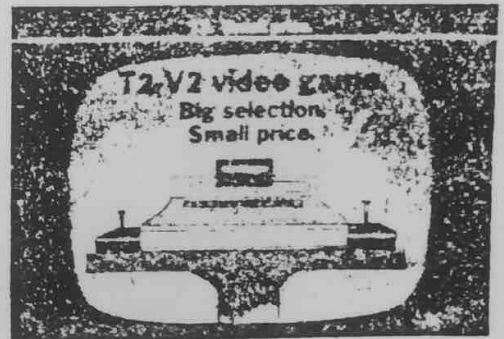
Slide 81.

"Big selection.



Slide 82.

"Small price."



Slide 83.

With the introduction of a new low-priced entry in the video game wars, you will see that T2-V2 occupies the flanking position on this strategic square, while allowing Odyssey to remain in an attacking mode against Atari.

But the time to act with a low-priced flanking move is now. Because as Clausewitz counseled. . .

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Atari	Intellivision
Defensive	Odyssey
	Offensive
T2V2	Astrovision
Flanking	Coleco
	Guerrilla

**Slide 84.**

"The statesman who, seeing war inevitable, hesitates to strike first is guilty of a crime against his country."

Or in this case, one might say, against his company.

Thank you.

**"The statesman who,  
seeing war inevitable,  
hesitates to  
strike first is  
guilty of a crime  
against his  
country."**



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## N.A.P. CONSUMER ELECTRONICS CORP.

November 20, 1981

All Odyssey Dealers

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Atari, Inc. and Midway Mfg. Co. have filed a lawsuit against N.A.P. Consumer Electronics Corp. and Park Magnavox HEC in Chicago claiming that our "K.C. MUNCHKIN" game infringes their copyright on the "Pac-Man" game. They also claim that we have engaged in deceptive and unfair trade practices by passing off our "K.C. MUNCHKIN" game as a "Pac-Man" game. To support their position they have submitted to the Court a copy of a newspaper ad run by one of our dealers that described our "K.C. MUNCHKIN" game as a "Pac-Man Type Game."

It is our policy not to engage in any deceptive or unfair trade practices. In a memorandum of October 27, 1981, to all Magnavox sales personnel, DGMs and RMs, I cautioned against the use of other companies' trademarks and game names, pointing out that misuse of them can result in legal liability. It is Magnavox's position that we do not want others to misapply our game names and trademarks. Likewise, we should not use other people's trademarks or game names to refer to our games.

"Pac-Man" is Midway's game name and trademark for coin operated video games. Midway has granted rights to Atari to use the "Pac-Man" game name and trademark for home video games. IN KEEPING WITH OUR POSITION, WE MUST INSIST THAT YOU NOT MAKE ANY REFERENCE OR COMPARISON TO "PAC-MAN" IN ADVERTISING, PROMOTING, MERCHANDISING OR SELLING OUR NEW "K.C. MUNCHKIN" GAME.

"K.C. MUNCHKIN" is an original game. We intend to keep selling it on its own merit.

Very truly yours,

*Thomas M. Hafner*  
Thomas M. Hafner  
General Counsel

THE MAGNAVOX CO.

NOV 23 1981

DIVISION 6  
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A NORTH AMERICAN PH

PLAINTIFF'S  
EXHIBIT

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